Supply Base Report:
Ideal Pellets, LLC

Main (Initial) Audit

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.4

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

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Contents

1 Overview

Producer name: Ideal Pellets, LLC

Producer address: 414 Mt. Olive Rd. 31068 Oglethorpe , United States

SBP Certificate Code: N/A

Geographic position: 32.3351, -84.1288

Primary contact: Elizabeth van Tilborg, 912-375-3068,vantilborg@framfuels.com

Company website: www.framfuels.com

Date report finalised: 2021-03-29

Close of last CB audit: N/A

Name of CB: SCS Global Services

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard, SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

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

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBR on Company website: http://www.framfuels.com/sbpcertification.cms

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

2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary

Includes Supply Base evaluation (SBE): Yes

Feedstock origin (countries): United States

2.2 Description of countries included in the Supply Base

Country: United States

Area/Region: Alabama, Georgia, South Carolina, North Carolina, Tennessee and the northern part of Florida

Exclusions: No

Fram Renewable Fuels L.L.C.'s pellet production plants and port facilities are located in Georgia, USA. Fram has five (5) wood pellet facilities that source from the same supply base and operate the same SBP program and procedures. Each mill is assessed separately and issued individual SBP certificates. These facilities source from a largely rural area where forestry and agriculture (e.g. forests, crops, cattle) are prevalent and are the primary sources of income for workers and the local communities. The forests consist of various pine, hardwood and mixed pine/hardwood forests in the states of Alabama, Georgia, North Carolina, South Carolina, Tennessee and the northern half of Florida in the United States.

Fram Renewable Fuels L.L.C. and affiliated pellet mills are an important market for low grade and low valued wood products. Utilized as wood pellets, this otherwise low valued and marginal material contributes to the increased use of renewable energy and serves to mitigate greenhouse gas emissions. In 2017, the pellet market in the US utilized less than 3% of the of the overall forest products market compared to US pulpmills, sawmills and other wood processing facilities.

Fram Renewable Fuels provides direct employment by providing jobs for approximately 200 employees regionally, as well as using local contractors, transportation, logging and other business related spending that contributes to local prosperity. A general rule of thumb is that for every direct job in the forest industry, three additional jobs are supported.

Forests are the predominant land use in this supply base. Pine forests comprise the largest forest type (40%) of the supply area's forest followed by Oak/Hickory (33%) and Oak/Pine (11%). About 75% of the supply area's forests are managed as natural forests (32,496,649 hectares) while the remaining 25% of the supply area's forests are artificially regenerated (10,832,216 hectares).

Private landowners hold 86% of the forest area in the South; two-thirds of this area is owned by families or individuals. The average size of family forestry holding is 29 acres. Ongoing parcellation through estate division and urbanization will alter forest management in the South. Much forestland owned by timber products companies was divested between 1998 to 2008 and transitioned into TIMOs and REITs. These acres continue to be managed as forest plantations for investment purposes and can be a large driver in timber markets. (https://www.srs.fs.usda.gov/futures/technical-report/06.html#types)

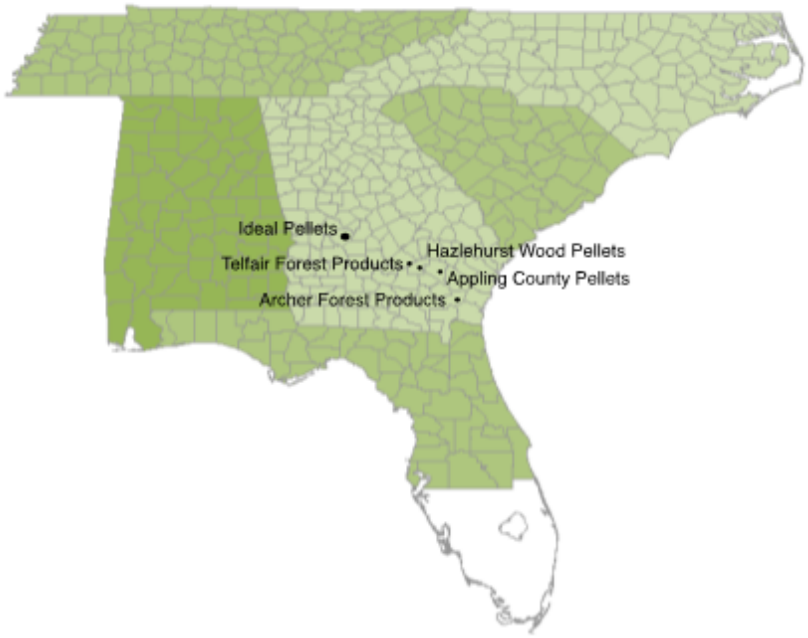
Pine forests are typically managed on an even-aged basis with a rotation age of 25 to 30 years. During this rotation, the pine stand may be thinned one or two times during the middle of the rotation with a final harvest completing the rotation. Most pine forests are artificially regenerated with pine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

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

Pine forests dominate the majority of the forests within the supply area. Primary species for these pine forests include loblolly pine (Pinus taeda) and slash pine (Pinus elliottii). Primary species for the hardwood forests include oak (Quercus spp), sweetgum (Liquidambar styraciflua), maple (Acer spp), sycamore (Platanus occidentalis) and blackgum (Nyssa sylvatica). No species purchased at the facilities are listed on the CITES list. Longleaf pine (Pinus plustrus) was recently added to the IUCN Red List as decreasing. Fram Renewable Fuels supports the reforestation and management of longleaf pine in their partnership with the Longleaf Alliance. In 2018 the Longleaf Alliance and its partners established and maintained 1,886,289 acres of longleaf pine.

Ideal Pellets Supply Base Area

Fram Renewable Fuels FSC Risk Assessment Area 2020



MapWinGIS 4.8

Note: Fram's RA includes highlighted counties in a 6-state sourcing basin

Florida counties (49) in Ideal Pellets Supply Base Area are:

Alachua	Duval	Holmes	Nassau	St. Johns
Baker	Escambia	Jackson	Okaloosa	Sumter
Bay	Flagler	Jefferson	Orange	Suwannee
Bradford	Franklin	Lafayette	Osceola	Taylor
Brevard	Gadsden	Lake	Pasco	Union
Calhoun	Gilchrist	Leon	Pinellas	Volusia
Citrus	Gulf	Levy	Polk	Wakulla
Clay	Hamilton	Liberty	Putnam	Walton
Columbia	Hernando	Madison	Santa Rosa	Washington
Dixie	Hillsborough	Marion	Seminole	

Scale of Harvesting

The pine and hardwood pulpwood removals for export pellet facilities are a small fraction of overall wood fiber removals and overall forest inventory in the Atlantic region, US South.

- In 2014, export pellet mills in the Atlantic region purchased 1.7 million tons of pine pulpwood, which is 0.3% of the overall pine pulpwood inventory in the region. Within the region, low value pine products that were used for export pellet production comprised 3.15% of the total pine harvest. (USIPA, Wood Supply and Market Trends in the US South 1995 – 2015)
- In 2014, export pellet mills in the Atlantic region purchased 2.3 million tons of hardwood pulpwood, which is 0.4% of the overall hardwood pulpwood inventory in the region. Within the region, low value hardwood products that were used for export pellet production comprised 15.23% of the total hardwood harvest. (USIPA, Wood Supply and Market Trends in the US South 1995 – 2015)
- 100% of Ideal Pellets' supply comes from secondary sawmills or wood processing industries. These suppliers purchase high value forest products to manufacture lumber and higher end products. The resulting residual by-products from these operations are used in pellet manufacturing.

Feedstock Profile

Ideal Pellets utilizes only dry pine sawmill and wood processing residuals. The shavings are generated by 3 to 6 sawmills located primarily in Georgia and Alabama but may extend into the other 4 states of the 6-state supply base area. Ideal Pellets does not use any construction, demolition or post-consumer derived feedstock but may use pre-consumer tertiary feedstock in the future.

Feedstock Type	**Number of Suppliers**
Primary Feedstock	0
Secondary Feedstock	3 to 6
Tertiary Feedstock	0

All wood into the Fram mills and including Ideal Pellets is FSC Controlled Wood or PEFC Controlled Sources feedstock and considered SBP Controlled feedstock before the Supply Base Evaluation (SBE) and is 100% SBP-Compliant feedstock after the SBE.

Forest certification at the Forest Management Unit (FMU) level is present in the supply basin and is may be either in the form of the Sustainable Forestry Initiative (SFI) or the American Tree Farm System (ATFS) programs. SFI certified forests belong primarily to industrial forest landowners, TIMOs and REITs (see Section 2.5 for breakdown of acres by state). Most small, private forest landowners who make up the majority of forest ownership have no forest certification but if they do, are certified to the American Tree Farm System (ATFS). Potential certified content is generally less than 10% of incoming primary feedstock. **No certified claims are made on incoming feedstock.**

2.3 Actions taken to promote certification amongst feedstock supplier

Fram Renewable Fuels requires the use of trained loggers to harvest timber regardless of whether the feedstock is primary or secondary feedstock. This is in the Supplier contract. To the credit of the forest products industry, the use of trained loggers has been an industry standard since the 1990s due to the Sustainable Forestry Initiative (SFI) that promotes trained loggers and provides logger training.

Fram is a member of the Georgia, Florida and South Carolina Forestry Associations, the Forest Landowners Association, the South Carolina Loggers Association, the Southeastern Wood Producers Association, the Georgia State Implementation Committee (SIC), the Longleaf Alliance, the Forest Stewards Guild and support the American Forest Foundation that promotes forest certification and provides technical information to landowners addressing water quality BMPs, reforestation, visual quality protection, efficient utilization, protection of wildlife and biodiversity, control of invasive species and the identification and protection of forests of High Conservation Value. These organizations support logger training and provide ongoing logger education.

2.4 Quantification of the Supply Base

Supply Base

a. **Total Supply Base area (million ha)**: 69,23
b. **Tenure by type (million ha):**36.85 (Privately owned), 6.49 (Public)
c. **Forest by type (million ha):**43.33 (Temperate)
d. **Forest by management type (million ha):**10.83 (Plantation), 32.50 (Natural)
e. **Certified forest by scheme (million ha):**0.68 (FSC), 3.98 (SFI), 1.91 (Other)

Describe the harvesting type which best describes how your material is sourced: Mix of the above
Explanation: Timber harvesting is done using mechanized equipment. A fellerbuncher shears the trees at the base of the tree and then the trees are pulled to the landing by a grapple skidder where a loader loads the trees onto trailers for transport to the mill by truck. Most clearcuts for industrial forests do not exceed 50 ha as per SFI rules, which is an industry standard in the region. For non-industrial family landowners, the average size family forest is 8 to 20 ha in the supply base and timber harvests tend to be smaller in size. Thinning may be either row thinnings in pine plantations or by selection in natural stands.
Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: Markets in the supply base are managed primarily for sawtimber. For pine, the average rotation is 25 to 30 years. This rotation may include one or two thinnings and then a final harvest. The supply base has strong and competitive markets consisting of sawmills, pulpmills, pole mills, panel mills such as OSB and plywood as well as pellet mills.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority
Explanation: It is a common practice to reforest after harvest. For private industrial lands, including TIMOs and REITs, this is standard practice. For family owned forests there are various forestry cost-sharing programs funded by the federal government which assist with reforestation costs. In addition, there is a strong forest stewardship mentality among landowners which encourages reforestation. It should be noted even if a stand is not actively reforested it will revert by nature to a natural stand of mixed pine and hardwood within 5 years.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? Yes - Minority
Explanation: Southern pine beetle (SPB) outbreaks occur cyclically in the region, usually when forests are stressed due to drought conditions. When this occurs, SBP infestations are identified and cut. These trees are usually sold into markets if a commercial size. Beetle killed trees (if still green) usually enter the mill as pulpwood. Natural events such as hurricanes and tornados may also weaken timber stands resulting in beetle infestations that are then brought to market.

Feedstock

Reporting period from: 2021-06-01

Reporting period to: 2021-12-31

a. **Total volume of Feedstock**: 1-200,000 tonnes
b. **Volume of primary feedstoc**k: 0 N/A
c. **List percentage of primary feedstock, by the following categories.**
    - Certified to an SBP-approved Forest Management Scheme: N/A
    - Not certified to an SBP-approved Forest Management Scheme: N/A
d. **List of all the species in primary feedstock, including scientific name:** N/A
e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
    - Name of species: N/A
    - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
h. **Proportion of biomass composed of or derived from saw logs (%):** N/A
i. **Specify the local regulations or industry standards that define saw logs:** N/A
j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
k. **Volume of primary feedstock from primary forest:** N/A N/A
l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes**:
    - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A

- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A

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

- Physical form of the feedstock: Other (specify)

n. Volume of tertiary feedstock: 0 N/A

- Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	**Sourced by using Supply Base Evaluation (SBE) %**	**FSC %**	**PEFC %**	**SFI %**
Primary	0,00	0,00	0,00	0,00
Secondary	100,00	0,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? Yes

A Supply Base Evaluation was conducted so that all feedstock material can be considered SBP compliant. The feedstock for Ideal Pellets is secondary material and is not certified or originate from an SBP approved Forest Management scheme. (Note that all feedstocks are FSC controlled wood or PEFC controlled sources.)

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: Primary, Secondary, Tertiary

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

Country: United States

Indicator with specified risk in the risk assessment used:
2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description:
Although there is an FSC US National Risk Assessment, the US does not have an SBP approved regional risk assessment that fully considers all of the indicators. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3).

Country: United States

Indicator with specified risk in the risk assessment used:
2.1.2 The BP 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.

Specific risk description:
If areas of high conservation value cannot be adequately identified, the management systems or mitigation measures cannot be implemented to reduce risk. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3).

Country: United States

Indicator with specified risk in the risk assessment used:
2.1.3 The BP 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.

Specific risk description:
Although most conversion occurring in the supply base area is due to urban development, there is a risk of accepting conversion wood without the proper due diligence and mitigation measures in place. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has

concluded that high conservation values are threatened by conversion occurring from natural forests being converted to plantation or non-forest use (Category 4).

Country: United States

Indicator with specified risk in the risk assessment used:
2.2.3 The BP 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).

Specific risk description:

If key ecosystems and habitats are not identified they cannot be conserved or set aside. By partnering with various organizations, this can be achieved. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3) and there is conversion occurring from natural forests being converted to plantation or non-forest use (Category 4).

Country: United States

Indicator with specified risk in the risk assessment used:
2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description:
If key ecosystems and habitats are not identified, the appropriate control systems cannot be implemented at the supplier level to protect HCVs which consequently protects biodiversity. In keeping with the FSC US NRA, specified risk has been determined for high conservation value areas and critical biodiversity areas. As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure, a management system is in place to address areas with high conservation value forests.

Country: United States

Indicator with specified risk in the risk assessment used:
2.4.1 The BP 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).

Specific risk description:
If forest ecosystems that provide key services are not properly maintained or are negatively impacted by harvesting, then forest health, vitality and other services provided by the forest may be negatively impacted without appropriate controls in place by legislation and the BPs management system. In keeping with the FSC US NRA, specified risk has been determined for high conservation value areas and critical biodiversity areas. As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure, a management system is in place to address areas with high conservation value forests.

4.2 Justification

The Supply Base Evaluation & Risk Assessment address each of the SBP Indicators as contained in Standard 1. Fram Renewable Fuels L.L.C. did not attempt to modify or adapt the Indicators. Many of the Indicators are similar to the requirements contained in the FSC Standards. The evidence of conformance to the Indicators in Standard 1 was drawn from Fram's existing FSC Procedures to demonstrate conformance to the other certification standards, which SBP relies upon and does not attempt to duplicate.

Additional objective evidence of conformance was drawn from publicly available sources including state BMP monitoring, forest inventory & analysis statistics, state-wide resource assessments, wildlife action plans and other publicly available sources of information.

In addition, a strong legal framework of laws and regulations regarding the environment, legality and workers' health are in place to ensure sustainability and legality.

The use trained loggers and BMPs is well established within the forest products industry and also serve as mitigation measures.

4.3 Results of risk assessment and Supplier Verification Programme

Fram's original 2015 Supply Base Evaluation & Risk Assessment concluded "Low Risk" for all SBP Indicators, based upon the strength of Fram's Standard Operating Procedures (SOPs) in conjunction with a strong legal framework, a mature forest industry and high level of BMP compliance. The current Supply Base Evaluation draws on more than eight (8) years of history and record of conformance to FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence. However in keeping with the FSC US NRA which determined Specified Risk for High Conservation Value Areas/Critical Biodiversity Areas and Conversion wood, Fram also concludes "Specified Risk" for 6 indicators: 2.1.1, 2.1.2 , 2.1.3, 2.2.3, 2.2.4 and 2.4.1 which relate to high conservation value areas and conversion.

The risk of sourcing illegal and unsustainable wood into the Fram Renewable Fuels L.L.C.'s manufacturing facilities is determined to be "Low Risk" with the exception of "Specified Risk" for indicators 2.1.1, 2.1.2 , 2.1.3, 2.2.3, 2.2.4 and 2.4.1, in keeping with the FSC US National Risk Assessment (NRA).

The Risk Assessment considered Fram's Management System, also known as Standard Operating Procedures (SOPs), previously implemented as part of its FSC and PEFC Chain of Custody and Controlled Wood certifications. These SOPs constitute existing control or mitigation measures approved and certified by independent Certification Bodies to meet the rigorous requirements of the FSC and PEFC Standards to ensure legality and sustainability.

There have been no complaints regarding any of Fram's operations and feedback from the recent Stakeholder Consultation process for Ideal Pellets has been positive.

4.4 Conclusion

FRAM Renewable Fuels' existing SOPs and mitigation in conjunction with a strong legal framework of laws and regulations serves to move indicators 2.1.1, 2.1.2 , 2.1.3, 2.2.3, 2.2.4 and 2.4.1 from "Specified Risk" to "Low Risk".

The strengths of the SBE is Fram's certification to the FSC and PEFC chain of Custody and Controlled Wood standards. In addition, there are numerous third-party data sources of information such as:

• US Forest Service FIA data

• State Forestry Agencies

• World Bank Governance Index

• US Department of Labor

• Environmental Protection Agency

• World Wildlife Fund

• The Nature Conservancy

Fram's Supply Base is located in an area that has a mature forest industry that is highly self-regulated. The use of SFI trained loggers and compliance with forest Best Management Practices (BMPs) are industry standards. Additionally, BMPs compliance is monitored by state agencies.

Fram has experienced foresters that make up the Wood Procurement and Sustainability Teams and 15 years of experience in the pellet industry. The primary mitigation measures, the Supplier Contract and internal monitoring (described more fully in Section 9 – Mitigation Measures), have been in full force for 8 years.

Most inputs are indirect and secondary sources and Fram Renewable Fuels L.L.C. is considered by SBP to be a Secondary Wood Processing facility that has no direct control or contractual link to the Forest Management Unit (FMU).

In 2020, approximately 75% of the wood into Fram mills was from sawmill residuals or wood processing plants. Roundwood/in-woods chips made up the remaining feedstock mix. Of total feedstock into Fram mills, 45% came from SFI certified wood procurement organizations or SFI/ATFS lands.

Due to the high level of residual materials entering Fram's supply chain, pre-approval and strong due diligence is required to track it back to the FMU. Tertiary residuals (sawdust from flooring manufacturers, etc.) are often a challenge to track back to the FMU and requires more due diligence and monitoring to ascertain the feedstock originates from Fram's 6-state supply base.

In summary, 100% of the wood inputs are supplied within the scope of the FSC/PEFC Controlled Wood/Due Diligence Systems approved by SBP. Thus, all wood inputs are at a minimum considered "SBP Controlled Feedstock" and, according to the SBE and Risk Assessment, are considered "SBP-Compliant Feedstock".

5 Supply Base Evaluation process

Fram initially retained R.S. Berg & Associates, Inc. to prepare the Fram SBP Program and Procedures, including conducting the Supply Base Evaluation & Risk Assessment. R.S. Berg & Associates, Inc. has provided consulting assistance to over two hundred and eighty (280) forestry organizations in North America and has conducted over forty (40) independent and internal audits to the FSC, SFI, PEFC and American Tree Farm System Standards. R.S. Berg & Associates are highly qualified consultants and meet the requirements set up in FRF-SBP-DP-12, SBE Competency Procedure.

Since 2019, Fram has conducted its own in-house supply base evaluation and risk assessment in accordance with the requirements set up in FRF-SBP-DP-12, SBE Competency Procedure. Fram has highly competent Sustainability and Wood Procurement Teams with 30+ years of experience in the forest products industry, logging, certification and forest management/policy.

6 Stakeholder consultation

A Stakeholder Consultation Procedure (FRF-SBP-DP-04) is part of Fram's SBP program that includes correspondence to interested and affected stakeholders across the six state procurement region. A list of relevant Stakeholders was developed based upon several selection criteria including: the geographic scope of the Supply Base, stakeholders from past FSC/PEFC audits and consultations, relevant federal and state natural resource agencies, private conservation organizations, indigenous peoples groups, forestry colleges and universities, advocacy organizations, as well as local governmental officials. Correspondence was forwarded to all Stakeholders at least 30 days prior to the completion of the SBE/RA.

Seventy-four (74) emails/letters were sent out for the initial assessment for Ideal Pellets. There were no responses to the stakeholder consultation.

6.1 Response to stakeholder comments

Description:	John Britt, Alabama Consulting Foresters
Comment:	Inquiry of description/link to Ideal Pellets Supply Base Report
Response:	Directed to Fram's current SBR for other Fram mills on SBP website. This supply base is the same as Ideal Pellets.

Description:	Dan Hipes, Florida Natural Areas Inventory
Comment:	Acknowledged and reviewed Fram's previous SBRs on SBP website and supported use of biomass as an energy resource.
Response:	Acknowledged by Fram

7 Mitigation measures

7.1 Mitigation measures

Country:	United States
Specified risk indicator:	2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.
Specific risk description:	Although there is an FSC US National Risk Assessment, the US does not have an SBP approved regional risk assessment that fully considers all of the indicators. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3).
Mitigation measure:	• Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock. • Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on

a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.

• Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.

• Ability to terminate contracts that don't meet sustainability criteria.

Country: United States

Specified risk indicator: 2.1.2 The BP 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.

Specific risk description: If areas of high conservation value cannot be adequately identified, the management systems or mitigation measures cannot be implemented to reduce risk. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3).

Mitigation measure:

• Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.

• A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.

• Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk.

• Annual supplier correspondence regarding HCVs and other relevant items

• Right to audit at the supplier mill or tract level at any time for all types of feedstock.

• Monthly BMP compliance inspections on active logging jobs (primary feedstock).

• Quarterly District of Origin checks on primary feedstocks.

	• Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting. • Ability to terminate contracts that don't meet sustainability criteria.
Country:	United States
Specified risk indicator:	2.1.3 The BP 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.
Specific risk description:	Although most conversion occurring in the supply base area is due to urban development, there is a risk of accepting conversion wood without the proper due diligence and mitigation measures in place. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by conversion occurring from natural forests being converted to plantation or non-forest use (Category 4).
Mitigation measure:	• Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and all Suppliers which identifies the legal and sustainability requirements, including avoidance of sourcing from natural forests being converted to plantation or non-forest use (Conversion). Primary wood suppliers (roundwood, in-woods chips) and Fram foresters are trained to understand conversion and avoid sending that type of wood to Fram mills. Internal audits area completed quarterly to monitor compliance. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from conversion is low risk. Fram has FSC/PEFC Chain of Custody Procedure in place which addresses conversion wood. • Annual supplier contact regarding sourcing counties/states • Right to audit at the supplier mill or tract level at any time for all types of feedstock.

• Monthly BMP compliance inspections on active logging jobs (primary feedstock which includes conversion assessment.

• Quarterly District of Origin checks on primary feedstocks, which includes conversion assessment.

• Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.

• Ability to terminate contracts that don't meet sustainability criteria.

Country: United States

Specified risk indicator: 2.2.3 The BP 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).

Specific risk description: If key ecosystems and habitats are not identified they cannot be conserved or set aside. By partnering with various organizations, this can be achieved. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3) and there is conversion occurring from natural forests being converted to plantation or non-forest use (Category 4).

Mitigation measure:

• Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.

• A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.

• Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk.

• Fram has partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to help conserve forestland in areas identified as Specified Risk by the FSC US NRA. Various

conservation initiatives involve, tree planting, invasive species control, prescribed burning, riparian forest buffers, mapping and other initiatives.

• Annual supplier correspondence regarding HCVs and other relevant items

• Right to audit at the supplier mill or tract level at any time for all types of feedstock.

• Monthly BMP compliance inspections on active logging jobs (primary feedstock).

• Quarterly District of Origin checks on primary feedstocks.

• Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.

• Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.

• Ability to terminate contracts that don’t meet sustainability criteria.

Specified Risk	Mitigation Option
Central Appalachian Critical Biodiversity Area (CBA)	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - altering of forest management regimes including extended rotation, as well as invasive species control and aquatic zone protection.
Southern Appalachian CBA	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Activities riparian forest buffer conservation and establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities.
Cape Fear Arch CBA	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - riparian forest buffer conservation and longleaf establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities.
Florida Panhandle CBA	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments. Partnership with the Longleaf Alliance to prescribe burn 50,000 acres of natural longleaf stands.
Central Florida CBA	Education & Outreach. Partnership with the Longleaf Alliance. Fram is corporate partner. The Alliance sponsors Longleaf Academies which educate landowners and loggers.

Cheoah Bald Salamander	Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild.
Patch-Nosed Salamander	Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild.
Mesophytic Cove Sites	Mapping. Partner with Forest Stewards Guild to map mesophytic cove sites in Sandy Mush.
Late Successional Bottomland Hardwoods	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities- Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments.
Native Longleaf Pine Systems	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Longleaf pine establishment activities including herbicide treatment, site preparation burn with firebreaks, containerized seedlings; planting labor; understory burning and other activities. Education and Outreach by partnering with the Longleaf Alliance.

Country: United States

Specified risk indicator: 2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description: If key ecosystems and habitats are not identified, the appropriate control systems cannot be implemented at the supplier level to protect HCVs which consequently protects biodiversity. In keeping with the FSC US NRA, specified risk has been determined for high conservation value areas and critical biodiversity areas. As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure, a management system is in place to address areas with high conservation value forests.

Mitigation measure:

• Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.

• A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.

• Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence

that the risk of accepting feedstock from high conservation value forests is low risk.

• Fram has partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to help conserve forestland in areas identified as Specified Risk by the FSC US NRA. Various conservation initiatives involve, tree planting, invasive species control, prescribed burning, riparian forest buffers, mapping and other initiatives.

• Annual supplier correspondence regarding HCVs and other relevant items

• Right to audit at the supplier mill or tract level at any time for all types of feedstock.

• Monthly BMP compliance inspections on active logging jobs (primary feedstock).

• Quarterly District of Origin checks on primary feedstocks.

• Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.

• Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.

• Ability to terminate contracts that don’t meet sustainability criteria.

Specified Risk	Mitigation Option
Central Appalachian Critical Biodiversity Area (CBA)	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - altering of forest management regimes including extended rotation, as well as invasive species control and aquatic zone protection.
Southern Appalachian CBA	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Activities riparian forest buffer conservation and establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities.
Cape Fear Arch CBA	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - riparian forest buffer conservation and longleaf establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities.
Florida Panhandle CBA	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments. Partnership with the Longleaf Alliance to prescribe burn 50,000 acres of natural longleaf stands.

Central Florida CBA	Education & Outreach. Partnership with the Longleaf Alliance. Fram is corporate partner. The Alliance sponsors Longleaf Academies which educate landowners and loggers.
Cheoah Bald Salamander	Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild.
Patch-Nosed Salamander	Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild.
Mesophytic Cove Sites	Mapping. Partner with Forest Stewards Guild to map mesophytic cove sites in Sandy Mush.
Late Successional Bottomland Hardwoods	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities- Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments.
Native Longleaf Pine Systems	Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Longleaf pine establishment activities including herbicide treatment, site preparation burn with firebreaks, containerized seedlings; planting labor; understory burning and other activities. Education and Outreach by partnering with the Longleaf Alliance.

Country: United States

Specified risk indicator: 2.4.1 The BP 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).

Specific risk description: If forest ecosystems that provide key services are not properly maintained or are negatively impacted by harvesting, then forest health, vitality and other services provided by the forest may be negatively impacted without appropriate controls in place by legislation and the BPs management system. In keeping with the FSC US NRA, specified risk has been determined for high conservation value areas and critical biodiversity areas. As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure, a management system is in place to address areas with high conservation value forests.

Mitigation measure: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.

• A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and

BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.

• Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk.

• Fram has partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to help conserve forestland in areas identified as Specified Risk by the FSC US NRA. Various conservation initiatives involve, tree planting, invasive species control, prescribed burning, riparian forest buffers, mapping and other initiatives.

• Annual supplier correspondence regarding HCVs and other relevant items

• Right to audit at the supplier mill or tract level at any time for all types of feedstock.

• Monthly BMP compliance inspections on active logging jobs (primary feedstock).

• Quarterly District of Origin checks on primary feedstocks.

• Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.

• Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.

• Ability to terminate contracts that don’t meet sustainability criteria.

7.2 Monitoring and outcomes

Supplier compliance is assessed via monitoring of Fram’s suppliers by internal audits which include site visits at the tract and mill level, stakeholder feedback, and state agency inspections or reports where relevant and available.

Fram Renewable Fuels L.L.C. has a sampling plan in place to assess forest operations within the Supply Base, as well as to determine the “District of Origin” under FSC. This formula (based on an ISO formula for sampling) is 0.8 X the square root of n, where n is the number of suppliers. This results in approximately 10-15 inspections of secondary/tertiary residual suppliers and 40 to 50 roundwood suppliers per year.

Internal BMP compliance monitoring is also done by sampling 2 active harvesting jobs per month (at the forest level) on primary feedstock tracts.

In addition, about 20% of suppliers are audited annually either with a site audit or phone audit so that all Fram residual suppliers will be audited in a 5-year period as per SBP requirements.

Primary Sources of Feedstock – Monitoring & Outcome Results

• Twenty-six (26) tracts were audited for BMP compliance and nineteen (19) tracts for District of Origin in 2020. All tracts were in compliance with FSC/PEFC controlled wood standards and this was verified by a third-party audit. In addition, there have been no complaints from stakeholders.

• 100% of Suppliers have written contracts which include the following:

1. Notifying suppliers Fram will not accept uncontrolled sources of wood

2. Acknowledgement by Suppliers that wood fiber is not obtained from land with high biodiversity value, high carbon stock or peat land

3. The use of trained loggers for all types of feedstock

4. Adherence to forestry BMPs for all types of feedstock

5. Adherence to all US labor laws regarding workers' rights and protection

The contract files are reviewed on an on-going basis to make sure all suppliers are up to date and items are still relevant.

• Annual supplier correspondence and maps sent out by Procurement Manager is verified by Sustainability Team members.

• Supplier sourcing areas verified annually showed no changes

• Internal tract monitoring shows no issues with BMP compliance or conversion.

• Overall, the southern region BMP implementation average increased from 87% in 2008 to 93.6% in 2018.

• State forest agency biannual 2019 BMP Compliance Surveys show BMP compliance of 84% to 99% in the 6-state Supply Base.

Secondary/Tertiary Sources of Feedstock – Monitoring & Outcome Results

• Forty-seven (47) sawmills were audited for District of Origin and general sustainability compliance in 2020. Twenty-seven (27) were secondary feedstock mills and twenty (20) were tertiary mills. All mills were in compliance with FSC/PEFC controlled wood standards and this was verified by a third-party audit. There were no complaints from stakeholders.

• A new procedure to include more tertiary residual plants on site has been implemented to sample a higher proportion of tertiary feedstock. Previously, tertiary mills with the highest volumes (i.e., greater risk) were audited by phone to verify the feedstock back to the forest level to confirm the supply was within Fram's 6-state supply base. This was confirmed in 2019 by FSC/PEFC audits. The number of tertiary mills audited increased 300% in 2020.

• 100% of Suppliers have written contracts which include the following:

1. Notifying suppliers Fram will not accept uncontrolled sources of wood

2. Acknowledgement by Suppliers that wood fiber is not obtained from land with high biodiversity value, high carbon stock or peat land

3. The use of trained loggers for all types of feedstock

4. Adherence to forestry BMPs for all types of feedstock

5. Adherence to all US labor laws regarding workers' rights and protection

The contract files are reviewed on an on-going basis to make sure all suppliers are up to date and items are still relevant.

• Annual supplier correspondence and maps sent out by Procurement Manager is verified by Sustainability Team members.

• Supplier sourcing areas verified annually showed no changes

• Overall, the southern region BMP implementation average increased from 87% in 2008 to 93.6% in 2018.

• State forest agency biannual 2019 BMP Compliance Surveys show BMP compliance of 84% to 99% in the 6-state Supply Base. Georgia BMP implementation increased 1.23% from 2017 to 2019 and water quality risks decreased 33% from 2017 to 2019.

Other

Fram's alliances with the American Forest Foundation, Forest Stewards Guild and Longleaf Alliance continue to move forward the mitigation measures listed in Annex 1.

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? No

9 Review of report

9.1 Peer review

n/a

9.2 Public or additional reviews

n/a

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	**Elizabeth van Tilborg**	**Sustainability/Certification Manager**	**2021-03-29**
	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:	**Harold L. Arnold**	**President, Fram Renewable Fuels**	**2021-03-29**
	Name	**Title**	**Date**

Annex 1: Detailed findings for Supply Base Evaluation indicators

	Indicator
1.1.1	The BP Supply Base is defined and mapped.
Finding	All wood and fiber sourced by Fram Renewable Fuels originates at some point in the supply chain from the states of Alabama, northern Florida, Georgia, North Carolina, South Carolina and Tennessee, USA. The 5 Fram wood pellet mills are located in Southeast Georgia and source sawmill/wood processing residuals, primary feedstock or both. The mills sourcing primary feedstock source primary feedstock within a 100-mile radius of the pellet mill while secondary or tertiary feedstocks, such as mill processing residuals, travel an average distance of 73 miles to the pellet mill. The Supply Base is also defined as part of demonstrating conformance to the following Forest Sustainability Standards: -FSC Chain of Custody (FSC-STD-40-004) -FSC Controlled Wood (FSC-STD-40-005) -PEFC Chain of Custody/Due Diligence System (2002:2013) The Supply Base has been confirmed with Fram Renewable Fuels and affiliated suppliers.
Means of Verification	Maps, contracts, supplier mill visits, site visits, interviews with suppliers
Evidence Reviewed	Supply Base map, FSC NRA maps for HCV areas, supplier contracts, supplier list, Supplier correspondence, list of supplier's sourcing counties by state.
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	Fram Renewable Fuels and affiliated facilities maintain formal Supply Agreement/Contracts with its suppliers (FRF-SBP-DP-08) that requires clear title and legal ownership of all wood and fiber inputs. Fram Renewable Fuels keeps records of payments and receipts with all of its suppliers. Title to the wood material is exchanged as it is delivered at the pellet mills using Scale Tickets and recorded in its scaling system. These documents and records provide objective evidence of the suppliers and their supply base. FSC/PEFC Chain of Custody and Controlled Wood requirements address the need to define the “Districts of Origin” and conduct periodic monitoring of the supply base, both from the forest and mill residuals. Fram Renewable Fuels and affiliated facilities are FSC/PEFC Chain of Custody and Controlled Wood certified. Secondary/tertiary feedstock can be traced to the sawmill location from which the residuals originated. Primary feedstock can be tracked back to the FMU through the Forest Products Accounting system (FPA) and or 3Log Scaling system that records the GPS location of the tract.
Means of Verification	Company procedures, FPA/3Log (scaling) records, FSC District of Origin checks
Evidence Reviewed	Fram Renewable Fuels’s FSC/PEFC Controlled Wood/Due Diligence System Risk Assessment for the identification of the supply base (FRF-DP-05/05B). Fram Renewable Fuels's FSC/PEFC Chain of Custody Procedure for the procedures to identify suppliers of all wood and fiber material (FRF-DP-01). Approved Supplier List (FRF-DP-06) for records of supplier names, FSC/PEFC certificate numbers, the supplied "material categories." Various FPA/3Log (scaling) reports recording incoming suppliers and tons
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	All inputs are supplied with as FSC/PEFC "controlled material" indicating that they are Low Risk of originating from uncontrolled or controversial sources. All feedstocks are defined as either forest or mill residual inputs supplied in accordance with the FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence Standards. The mix of feedstock inputs are described as "Categories of Origin" in the Chain of Custody Procedures (FRF-DP-01). Material categories are also identified for purposes of Chain of Custody tracking in the Product Group Lists (FRF-SBP-DP-06). Species of trees that are sourced are documented in the Tree Species List (FRF-SBP-DP-14).
Means of Verification	FRF-DP-01 – Chain of Custody Procedure FRF-DP-04 – Controlled Wood /Due Diligence Procedure FRF-SBP-DP-06 – Product Group List FRF-SBP-DP-14 -Tree Species List
Evidence Reviewed	FRF-DP-01 – Chain of Custody Procedure FRF-DP-04 – Controlled Wood /Due Diligence Procedure FRF-SBP-DP-06 – Product Group List FRF-SBP-DP-14 -Tree Species List
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
1.2.1	The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.

Finding	Fram Renewable Fuels implements an FSC/PEFC Controlled Wood/Due Diligence Procedure for all of its Supply Areas/Districts of Origin (FRF-DP-04) and all inputs are considered FSC controlled material & PEFC controlled sources. Fram Renewable Fuels requires contracts, Delivery Tickets and other documentation verifying legal ownership of incoming wood material from its wood suppliers. State laws require specific details (landowner name, county) on scale tickets. Refer to the Wood Supply Agreement contract (FRF-SBP-DP-08). The World Bank has awarded the U.S. a Global Governance Index rating that exceeds 90% for Regulatory Quality. This objective evidence demonstrates Low Risk for threat to legality. See the Global Governance Index for the United States: (https://databank.worldbank.org/source/worldwide-governance-indicators/preview/on) The AHEC Legality Study - "Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports" available at: http://www.ahec-europe.org/ also concluded that: "We come to the conclusion that wood procured in the study area can be considered Low Risk to threat to legality. This conclusion is based on the determination that there is no reported systematic illegal logging, as we interpret the term, reported in the study area and regulatory processes in the study area have been found to be highly effective." Although thefts do occur, there is no evidence that timber theft is a large scale problem in the US. In addition, the US FSC NRA also rates Category 1 (Illegal Harvesting) as Low Risk.
Means of Verification	Company policy, Controlled Wood risk assessment of supply area, Supplier contracts, Delivery tickets/scale tickets
Evidence Reviewed	FRF-DP-05/05B - Controlled Wood Risk Assessment FRF-SBP-DP-08 and FRF-DP-06 – Wood Supply Agreement Contract Scale tickets at each mill location
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	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 US FSC NRA rates Category 1 (Illegal Harvesting) as Low Risk. In addition, Fram Renewable Fuels has conducted a comprehensive risk assessment for its wood supply areas/districts of origin and has concluded Low Risk for "Illegally Harvested Wood." Additional findings of the Controlled Wood/Due Diligence Risk Assessment include: 1. Law enforcement in the Districts of Origin is active and aggressive. 2. There is evidence within the district that demonstrates the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits. 3. There is little or no evidence or reporting of illegal harvesting in the district of origin. 4. There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade. Fram Renewable Fuels requires Delivery Tickets, Purchase Orders or other documentation for roundwood deliveries with information relating to the supplier, landowner name, tract location, Product Type, and FSC/PEFC Claim, if any. The US has received a Global Governance Index rank from the World Bank that puts US government Effectiveness and Regulatory Quality at 92 and Rule of Law at the 89th percentile when compared to other countries on a global basis. This point is to illustrate that strong laws and low levels of corruption are the norm for the US. At the local level, timber theft/illegal logging are actively addressed by State Forestry Agencies as well as State Forestry Associations. State laws, such as the Timber Security Law (GA), expand the authority of the Georgia Forestry Commission to investigate, issue warrants and make arrests. Landowner education is a particularly strong point for most State Forest Agencies and State Landowner Associations. The websites provided below illustrate there are numerous laws, regulations and agencies dedicated to protecting, preserving, maintaining and managing various natural resources in the US, which includes the SE US. U.S. Federal Laws and Regulations can be found at one or more of the following websites: https://www.stateforesters.org/timber-assurance/ https://www.srs.fs.usda.gov/futures/technical-report/06.html

	U.S. Fish & Wildlife Service -http://www.fws.gov/ U.S. F&WS Endangered Species – http://endangered.fws.gov/ National Wetlands Inventory Center – http://wetlands.fws.gov/ U.S. Environmental Protection Agency – http://www.epa.gov/ U.S. Environmental Protection Agency Region 4 - http://www.epa.gov/region10/ U.S. EPA/Wetlands – http://www.epa.gov/OWOW/wetlands/ U.S Army Corps of Engineers –– https://www.usa.gov/federal-agencies/u-s-army-corps-of-engineers Federal Register – http://www.access.gpo.gov/nara/cfr/cfr-table-search.html U.S.D.A. Forest Service - http://www.fs.fed.us/ U.S.D.A. Forest Service – Southern Research Station https://www.srs.fs.usda.gov
Means of Verification	Below are websites relating to Timber Theft in the 6-state supply base. Alabama Timber Theft hotline http://www.forestry.alabama.gov/Pages/Fire/Wildfire_Arson_Theft.aspx Georgia Timber Theft http://sfi-georgia.org/wp-content/uploads/2008/11/SFI_NEWS_FALL_2014.pdf SC Timber Theft & Statutes relating to Timber Transaction Crimes https://www.state.sc.us/forest/le.htm https://www.state.sc.us/forest/lestat.htm NC Timber Theft http://nclawyer.typepad.com/north_carolina_civil_litg/2010/08/wrongful-cutting-of-timber.html Modifying the traditional common law rule of trespass, North Carolina has a special statute N.C.G.S. Sec. 1-539.1 that governs timber cutting. When a person cuts somebody else's timber, he is entitled to double damages. It's not a defense that the party doing the cutting doesn't know it is somebody else's property or has a reasonable belief that he has permission. https://www.ncforestry.org/nc-forest-data/forestry-regulations/

	NC TIMBER THEFT: The following is the law parameters for timber theft, which includes damages for unlawful cutting, removal or burning of timber; misrepresentation of property lines. • Any person, firm or corporation not being the bona fide owner thereof or agent of the owner who shall without the consent and permission of the bona fide owner enter upon the land of another and injure, cut or remove any valuable wood, timber, shrub or tree therefrom, shall be liable to the owner of said land for double the value of such wood, timber, shrubs or trees so injured, cut or removed. • If any person, firm or corporation shall wilfully and intentionally set on fire, or cause to be set on fire, in any manner whatever, any valuable wood, timber or trees on the lands of another, such person, firm or corporation shall be liable to the owner of said lands for double the value of such wood, timber or trees damaged or destroyed thereby. • Any person, firm or corporation cutting timber under contract and incurring damages as provided in subsection (a) of this section as a result of a misrepresentation of property lines by the party letting the contract shall be entitled to reimbursement from the party letting the contract for damages incurred. (1945, c. 837; 1955, c. 594; 1971, c. 119; 1977, c. 859.) TN Timber Theft https://extension.tennessee.edu/publications/Documents/SP595.pdf https://forestry.ca.uky.edu/files/for109.pdf http://www.gallatinnews.com/tennessee-timber-laws-cms-15230 Florida Timber Theft http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/For-Landowners/Marketing-Your-Timber-A-Landowner-s-Guide
Evidence Reviewed	State and Federal laws, Company policy, Controlled Wood Risk Assessment of supply area, Supplier contracts, Delivery tickets/scale tickets. FRF-DP-05, FRF-DP-05B - Controlled Wood Risk Assessment FRF-SBP-DP-08 and FRF-DP-06 – Wood Supply Agreement Contract Delivery tickets/Scale tickets at each mill location
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
1.4.1	The BP 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	Based on Federal, State and County laws and regulations, there is low risk that taxes are not paid. In addition, County Tax Assessors have access to aerial photos and are aggressive in determining land use changes in order to value property at the highest rate of income to the county. Severance tax laws exist in in Alabama, Georgia, North Carolina and South Carolina and are established as either: (1) a fixed amount per unit of measurement or (2) a percentage of the value of timber harvested. Florida has doc stamps in which a fee based on the value of the timber sale is paid at the courthouse at the time of filing the warranty deed. Landowners in Tennessee are required to pay a timber tax on the timber at the time of harvest. This is part of the United States Internal Revenue Service tax code and all landowners are required to fill out a Schedule T to report their taxable income. Fram Renewable Fuels requires a formal Wood Supply Agreement/Contract (FRF-SBP-DP-08) containing all legal and contractual requirements. From the Fram Contract: "TAXES: When applicable, SELLER shall be solely responsible for all sales taxes, severance taxes or other taxes arising out of or in connection with the sale of Wood Fiber hereunder, and shall indemnify BUYER from and against all such taxes. This indemnity obligation shall survive any termination or expiration of this Agreement. This paragraph is a standard clause contained in the contracts of reputable forest products companies and suppliers that Fram does business with.
Means of Verification	Existence of County Tax offices, Delivery Tickets that record county and tons purchased, supplier contracts
Evidence Reviewed	FRF-SBP-DP-08 Supplier Contracts, delivery tickets
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator

1.5.1	The BP has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	No CITES listed tree species are found within the Fram wood and fiber procurement area/Districts of Origin. No wood is imported from outside the states of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee. Fram Renewable Fuels has a Controlled Wood/Due Diligence Procedure (FRF-DP-04) and a PEFC Controlled Wood Risk Assessment that addresses the requirements of CITES (FRF-DP-05B).
Means of Verification	See the CITES website: http://www.cites.org/eng/disc/species.php FRF-SBP-DP-14 Tree Species List
Evidence Reviewed	See the CITES website: http://www.cites.org/eng/disc/species.php FRF-SBP-DP-14 Tree Species List
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
1.6.1	The BP 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	The FSC US National Risk Assessment has determined Low Risk of wood harvested in violation of traditional and human rights (Category 2). The AHEC Legality study has also concluded Low Risk in this area: “Based upon the risk assessment and evaluation of available information, there is a “low risk” that any wood that is sourced is in violation of traditional, civil and indigenous peoples' rights.” In addition, Fram Renewable Fuels has adopted a formal Sustainable Forestry Policy addressing traditional and civil rights (FRF-DOC-02) as well as a Sustainable Biomass Policy (FRF-SBP-DP-03).

	Fram Renewable Fuels' Supplier Contracts (FRF-SBP-DP-08) contain clauses related to legal compliance, which serve as a mechanism to enforce laws related to ownership and traditional/civil rights, when and where applicable. Other relating to ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871
Means of Verification	FRF-DOC-02 and FRF-SBP-DP-03 – FRAM Sustainability Policies FRF-DP-05B - Controlled Wood Risk Assessment FRF-SBP-DP-08 and FRF-DP-06 – FRAM Supplier Contract US FSC NRA, AHEC Legality Study
Evidence Reviewed	FRF-DOC-02 and FRF-SBP-DP-03 – FRAM Sustainability Policies FRF-DP-05 - Controlled Wood Risk Assessment FRF-SBP-DP-08 and FRF-DP-06 – FRAM Supplier Contract US FSC NRA; FSC NRA Category 2 is Low Risk AHEC Legality Study
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.1.1	The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.
Finding	Specified Risk is acknowledged in the Supply Base by the FSC US National Risk Assessment (NRA). As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure (FRF-DP-04), a management system is in place to address areas with high conservation values.

	High Conservation Value Forests are addressed in Fram's Risk Assessment and Due Diligence System. Protected areas, HCVs, Intact Forest landscapes (IFLs) and critical biodiversity areas are mapped by many federal, state and local agencies as well as non-governmental organizations. A list of websites of available maps is referenced below. These websites have been used as references by Fram to identify and locate maps of HCVs/IFLs, etc.: http://www.intactforests.org/world.webmap.html https://fwsprimary.wim.usgs.gov/wetlands/apps/wetlands-mapper/ https://www.fws.gov/endangered/species/us-species.html https://www.fws.gov/endangered/species/index.html www.hcvnetwork.org www.worldwildlife.org/science/ecoregions.cfm https://www.biologicaldiversity.org https://www.srs.fs.usda.gov/futures/technical-report/06.html https://www.globalforestwatch.org https://www.nature.org/en-us/get-involved/how-to-help/places-we-protect/ https://www.cepf.net/our-work/biodiversity-hotspots/north-american-coastal-plain US national GAP database https://www.usgs.gov/core-science-systems/science-analytics-and-synthesis/gap As a baseline, the FSC US NRA has identified and mapped 5 HCV 1 areas in the Fram Supply Base Area. The critical biodiversity areas are identified as: 1.)The Florida Panhandle, 2.) Central Florida, 3.) Southern Appalachians, 4.) Central Appalachians and 5.) Cape Fear Arch. HCV 1 areas for the Cheoah Bald Salamander and Patch-Nose Salamander are also identified in small 5 county area in north Georgia, South Carolina and North Carolina. Note these counties are avoided by Fram suppliers. The US NRA identifies 3 HCV 3 areas in the Fram Supply Base area: Late Successional Bottomland Hardwoods, Native Longleaf Pine Systems and Mesophytic Cove Sites. No HCV 2, HCV4, HCV 5, or HCV6 sites have been identified in Fram supply base. https://us.fsc.org/en-us/certification/controlled-wood/fsc-us-controlled-wood-national-risk-assessment-us-nra In addition, Natural Heritage Databases, State Wildlife Action Plan, the High Conservation Network , Global Forest Registry and other websites are used to assess whether or not HCV areas are present in the supply base. The GAP database which contains state and federally protected parks, reserves, refuges, wilderness areas among

	other designations., has maps available for download. These protected areas are also referenced by the IUCN classification. Based on its own Risk Assessment, Fram determined that there were areas across the supply base that could qualify as High Conservation Values. Those areas are documented in the Supply Base Evaluation (SBE) and include the following: The Okefenokee Swamp, Lower Suwannee River, St. Marks, Wolf Island, Blackbeard Island, Harris Neck, Wassaw, Savannah, Bond Swamp, Piedmont, and Great Dismal Swamp National Wildlife Refuges. The refuges are protected by law and no timber harvesting is taking place. Some small rivers in the Southeast have also been determined by WWF as Critical/Endangered. However, implementation of forestry Best Management Practices (BMPs) is approximately 95% and forestry activities do not impact water quality and other beneficial uses. In addition, Fram evaluates suppliers annually as part of its FSC and PEFC Controlled Wood verification, which includes informing suppliers of US FSC NRA maps, including known HCV locations. Suppliers are also required to observe all laws and regulations including the Endangered Species Act (ESA) and BMPs. Fram requires suppliers by contract to use trained loggers. All states in the Fram Supply Base have professional logger training and logger status such as the Georgia Master Timber Harvester program, South Carolina Top Logger and Florida Master Logger. These logger training programs are usually coordinated through the SFI State Implementation Committee. Loggers are trained to recognize threatened and endangered plant and animal species, such as red-cockaded woodpeckers and gopher tortoises, and avoid those areas. BMP training is also part of logger education which results in less disturbance to sensitive areas along streams and rivers. Research shows that loggers trained loggers under the Master Timber Harvester program in Georgia have a 6.3% higher BMP compliance rate than non-trained loggers. The US has a strong legal framework that protects endangered species (and subsequently their ecosystems) through the Endangered Species Act (ESA). Since 1969, 99% of listed species have been prevented from going extinct through the efforts of the FWS Recovery program and partnering with other agencies and organizations. Regionally, there are many conservation groups but in particular, the Longleaf Alliance and the Nature Conservancy have made significant contributions in the protection and conservation of HCVs and special or unique sites. The Longleaf Alliance (https://longleafalliance.org/) sole mission is the conservation and restoration of longleaf ecosystems. In 2018, they protected 22,414 acres through land acquisition and conservation easements as well as restoration through burning or planting of 1,863,875 acres. Fram is a corporate sponsor with Longleaf Alliance and has partnered with various initiatives. The Nature Conservancy (TNC) (https://www.nature.org/en-us/) has protected over 116,000,000 million acres of land and 5000 river miles globally in the last 6 decades. In the Fram Supply Base, TNC has preserved 56 rare and unique sites.
Means of	Maps, various websites listed above, FRF-DP-04,FRF-DP-05, FRF-DP-05B –Controlled Wood Risk Assessments, Fram-Supplier Communications regarding HCV areas,

Verification	ESA, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication, other research by Dr. Dwivedi, et al regarding SFI and impact of trained loggers on fiber sourcing.
Evidence Reviewed	FRF-DP-04, FRF-DP-05/05B – FSC Controlled Wood RA, various websites (listed above), FSC NRA maps, Fram-Supplier correspondence regarding HCV locations, ESA, 2020 email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication, "Effects of the sustainable forestry initiative fiber sourcing standard on the average implementation rate of forestry best management practices in Georgia, United States " Dwivedi, et al, 2018
Risk Rating	Specified Risk
Comment or Mitigation Measure	Fram's management system includes identification of HCVs/IFLs, pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring to ensure supplier compliance to 2.1.1. and move this indicator from Specified Risk to Low Risk. Fram's Standard Operating Procedures: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock. • Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting. • Ability to terminate contracts that don't meet sustainability criteria

	Indicator
2.1.2	The BP 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	Specified Risk is acknowledged in the Supply Base by the FSC US National Risk Assessment (NRA). As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure (FRF-DP-04), a management system is in place to address areas with high conservation values. However, strong US environmental laws and regulations along with Fram's management system work to move this indicator from Specified Risk to Low Risk. HCVs occur in Fram's supply base. These HCVs are identified and mapped by many organizations such as US FSC NRA, Nature Serve, The Natural Heritage Networks, The Nature Conservancy, USGS Gap Analysis Project, Global Forest Watch and other federal, state agencies, private forest landowners and more. See reference list of map websites in 2.1.1 above. Many HCVs are preserved and protected, such as the Okefenokee Swamp, Lower Suwannee River, St. Marks, Wolf Island, Blackbeard Island, Harris Neck, Wassaw, Savannah, Bond Swamp, Fort Stewart (GA), Eglin Air Force Base (FL), and Great Dismal Swamp National Wildlife Refuges. Fram operates a multi-site FSC Controlled Wood program and holds a valid FSC certificate. This alone is evidence of controls in place to avoid sourcing unacceptable material which includes wood from HCVs that may be threatened. To date, Fram has had no complaints regarding their sourcing activities in the Supply Base and is not aware of any complaints against secondary or tertiary suppliers supplying mill residuals. Fram has conducted a comprehensive Risk Assessment to assess the risk for harm to HCVs contained in Fram's Supply Base. In addition, the FSC US NRA has identified various HCVs in Fram's 6-state sourcing basin (see 2.1.1). However, it is noteworthy that the core sourcing area is for pine feedstock is Georgia, northern Florida and South Carolina. Alabama, North Carolina and Tennessee states are added as part of the supply base for hardwood mill residual feedstocks sourced into Appling County Pellets. Some of the risks to HCVs identified include: 1.) Disturbance of threatened, endangered or rare wildlife and plant species; 2.) Management techniques that inhibit understory communities; 3.) Modification of hydrological features; 4.) Point and non-point source pollution from harvesting and 5.) Conversion to other forest types. The US has rigorous environmental laws and regulations to protect waterways and endangered species and subsequently, their ecosystems. The US also ranks high on the Worldwide Governance Indicators for Rule of Law (92%) and Regulatory Quality (93%) as evidence of effective controls. The Endangered Species Act (ESA) is significant in identifying and protecting threatened and endangered species. Since 1969, 99% of listed species have been prevented from going extinct through the efforts of the FWS Recovery program and partnering with other agencies and organizations.

	Compliance to U.S. Endangered Wildlife regulations have proven to be effective. For example, the bald eagle population in the lower 48 States has increased from approximately 487 breeding pairs in 1963, to an estimated 9,789 breeding pairs today. "The recovery of the bald eagle is due in part to the reduction in levels of persistent organochlorine pesticides (such as DDT) occurring in the environment and habitat protection and management actions. (https://www.federalregister.gov/documents/2007/07/09/07-4302/endangered-and-threatened-wildlife-and-plants-removing-the-bald-eagle-in-the-lower-48-states-from) Another example is the red-cockaded woodpecker recovery. "The goal of the U.S. Fish and Wildlife Service's red-cockaded woodpecker recovery program is to conserve the species and the ecosystem upon which it depends. Today, the red-cockaded woodpecker is found in 11 states (AL, AR, FL, GA, LA, NC, MS, OK, SC, VA, and TX), and occurs on federal, state and private lands. Red-cockaded woodpeckers have increased in number range-wide in response to recovery and management programs, from an estimated 4,694 active clusters in 1993 to 6,105 in 2006. Management plans have been developed for federal and state agencies with recovery populations. On private lands, more than 40 percent of the known red-cockaded woodpeckers are benefiting from management approved by the Service through Memorandum of Agreements, Safe Harbor Agreements, and Habitat Conservation Plans." (https://www.fws.gov/rcwrecovery/ State BMPs are in place to protect soils and water quality. Contracts between Fram and the supplier require the use of trained loggers who are able to implement BMPs. Examples of BMPs include proper implementation of: Streamside Management Zones (SMZs), stream crossings, road building, mechanical site preparation, chemical site preparation, firebreaks, tree planting, equipment servicing and fertilization. SMZs protect water quality by reducing the amount of sediment that enters streams as a result of forest management activities. SMZs maintain the stability of the soil around waterways, slowing down overland flow from areas adjacent to the SMZ, minimizing soil disturbance around waterways, and by reducing rainfall impact by intercepting precipitation. SMZs provide shade for streams, preventing increases in water temperature. High water temperatures can result in reduced dissolved oxygen in the water, negatively impacting aquatic organisms. SMZs benefit wildlife by providing habitat diversity, travel corridors, and food. It has been cited that nearly 90% of water quality risk related to forestry operations come from forest roads. However, when BMPs are properly implemented, risk is almost nonexistent (https://www.ncforestservice.gov/water_quality/wq_bmp_studies.htm). BMPs for road building, firebreaks and tree planning require that these be placed with the contour of the land with grades of 10% or less when possible. Where soils are highly erosive or a threat of soil erosion exists, water control structures are installed. Some examples include cross-drain culverts, broad-based dips, water bars and rock. Road building BMPs achieve low risk to soil and water quality by slowing the flow of surface water, minimizing the threat of soil movement and the potential damage to vegetation

These structures divert runoff to appropriate watershed locations where water will not alter the existing ecosystem or damage wildlife habitat.

Stream crossings are one of the most important aspects of forest road building with respect to water quality, biodiversity and wildlife habitat. BMPs mandate that stream crossings be kept to minimum. It is also mandated that discharge of water control devices will not harm the natural ecosystem, existing water supplies or impact threatened or endangered species.

Three typical stream crossing devices are as follows:

• Bridges – permanent or temporary, typically create the least disruption to stream flow and have the least effect on fisheries and aquatic life.

• Culverts – permanent or temporary. Sizing is critical to mitigate environmental risk. The purpose of the crossing, expected water flow and watershed acreage are considered in sizing. Sizing is increased for permanent installations.

• Fords – used only for haul roads where the streambed is firm, banks are low, and the stream is shallow.

In addition, gentle grades are required, cross at right angles when possible, use water control structures to prevent water runoff from entering the stream and exposed soil must be stabilized with rock, silt fence or another device.

Each state's forestry commission monitors BMP and forestry operation compliance through random logging site inspections and complaint investigation. Fram and business partner Beasley Timber Group, conduct additional internal monitoring of compliance by checking at least two active tracts per month. Furthermore, the Fram Wood Purchase Agreement contractually requires suppliers to use only state certified logging professionals and comply with all BMP and environmental regulations. Supplier compliance is monitored through periodic supplier visits, observations and interviews.

Additional evidence of these controls effectiveness: 2017 FL BMP Compliance Survey - 99.6% compliance; 2017 FL Forestry Wildlife BMPs Survey for State Imperiled Species Survey -100% compliance; 2019 GA BMP Compliance Survey – 94.4% compliance. Other BMPs: AL 98.2% in 2019; SC 99.4% overall harvesting compliance in 2019; NC 84% in 2017 and TN 88.5% overall BMP compliance.

In addition, Fram is partnered with the American Forest Foundation (AFF), the Longleaf Alliance, the Forest Stewards Guild and is a member of the Georgia State Implementation Committee (SFI). Through these organizations Fram is contributing to the conservation initiatives in various HCVs along with mapping and outreach and education. Fram also supports logger training in partnership with the Georgia SIC (SFI).

Logger training and state level certification initiatives encompass BMP implementation, silviculture, wildlife conservation and biodiversity. Each state's forestry commission monitors compliance through random logging site inspections and investigation.

The logger certification programs are designed to promote sustainable harvesting practices. As stated in the Forest Biodiversity, Understanding Biological Health; "Sustainable harvesting practices protect the environment by conserving soil, controlling stream sedimentation, protecting residual trees from damage, and promoting desired

	regeneration. Practicing these strategies can maintain, or perhaps increase, biodiversity in forest ecosystems."(https://extension.psu.edu/forest-biodiversity-understanding-biological-health-in-our-forests Trained loggers are required to take continuing education which includes BMPs and T&E species. Research shows that loggers trained loggers under the Master Timber Harvester program in Georgia have a 6.3% higher BMP compliance rate than non-trained loggers. Contracts between Fram and the supplier are in place which specify the use of trained loggers, implementation of BMPs, ban conversion wood and ability to identify threatened and endangered species. In addition, Fram is partnered with the American Forest Foundation (AFF), the Longleaf Alliance, the Forest Stewards Guild and is a member of the Georgia State Implementation Committee (SFI). Through these organizations Fram is contributing to the conservation initiatives in various HCVs along with mapping and outreach and education. Fram also supports logger training in partnership with the Georgia SIC (SFI). Regionally, there are many conservation groups dedicated to protecting unique ecosystems and HCVs. The Longleaf Alliance and the Nature Conservancy are two significant organizations that promote the protection and conservation of IFLs and special or unique sites. The Longleaf Alliance (https://longleafalliance.org/) sole mission is the conservation and restoration of longleaf ecosystems. In 2018, they protected 22,414 acres through land acquisition and conservation easements as well as restoration through burning or planting of 1,863,875 acres. Fram is a corporate sponsor with Longleaf Alliance and has partnered with various initiatives. It should be noted that FSC states "It is possible to harvest in and sustainably manage longleaf pine systems and therefore timber management by itself is not a threat." The Nature Conservancy (https://www.nature.org/en-us/) has protected over 116,000,000 million acres of land and 5000 river miles globally in the last 6 decades. In the Fram Supply Base, TNC has preserved 56 rare and unique sites. Fram's Supplier Correspondence, sawmill site visits/audits (District of Origin checks) and Fram's roundwood tract inspection audits are also part of the controls in place to identity and address potential threats to HCVs. Internally, Fram's District of Origin and Supplier Audit did not uncover any issues with secondary or tertiary mill suppliers. This was supported by a third-party audit in 2019. Fram's roundwood/in-woods chips procedure for tract inspections and BMP compliance also resulted in 100% compliance in 2019 and was confirmed by a third-party audit. Fram's major suppliers, West Fraser, Georgia Pacific and Interfor, are SFI certified and have their own in-house programs for harvesting and compliance with the SFI standard and therefore operate to a high level of sustainability and accountability through third-party audits.
Means of Verification	Stakeholder input, FRF-DP-04, FRF-DP-05/05B – Controlled Wood Risk Assessment, Supplier Contracts, Trained Logger Programs/Education topics, Validation of Master Timber Harvester use, Internal audits, Supplier/Sawmill visits, interviews with foresters,

	Ranking of US in Worldwide Governance Indictor, State BMP audit compliance %, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Evidence Reviewed	No stakeholder input was received from Stakeholder letters sent to managers of Heritage database or other organizations. FRF-DP-04- FSC Controlled Wood Due Diligence Procedure FRF-DP-05/05B – Controlled Wood Risk Assessment Supplier Contracts; BTM forester verify MTH numbers; UGA and Southeastern Wood Producers Association websites reviewed for Continuing Education classes available. US ranks 92% and 93% in Rule of Law and Regulatory Quality, respectively. State BMP compliance surveys. District of Origin checks and sawmill/supplier internal audit checklists email from Dr. Puneet Dwivedi regarding research paper on MTH
Risk Rating	Specified Risk
Comment or Mitigation Measure	Fram's standard operating procedure (SOP) and mitigation measures for FSC/PEFC Controlled Wood in conjunction with a strong framework of environmental laws, regulations and levels of conservation plus a high level of BMP compliance moves 2.1.2 from Specified Risk to Low Risk. Fram's SOPs include Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring to ensure supplier compliance to 2.1.2. Fram's Standard Operating Procedures include the following Mitigation Measures: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk.

	• Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock. • Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting. • Ability to terminate contracts that don't meet sustainability criteria

	Indicator
2.1.3	The BP 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	The FSC US NRA has concluded Specified Risk for Category 4 – Conversion. Thus, the initial risk is identified as Specified Risk. As a brief history, most of the South's forests were harvested and converted to agriculture when Europeans first arrived. Land in the Southeast US has been managed for timber and agriculture for 200 years. In the 1940s agricultural lands began to be reforested and in the 1950s, forest industry began to buy up lands, reforest with pine, build mills and manage forests. The point is, that most forestland was agriculture at some time. And today, land use still shifts between forestry and agriculture among non-industrial private landowners. Under Fram's FSC/PEFC certification conversion of forest land to agriculture or non-forest use is prohibited. Conversion of natural stands to plantation is also prohibited. FSC/PEFC certification is evidence a control system is in place. Fram's SOP includes the use of Supplier contract that prohibits wood from sites that are converted. 100% of Fram's suppliers have signed the contract. Fram conducted training with Beasley Timber Management to implement a plan to avoid roundwood sourced from conversion. Foresters buying roundwood communicate with the

	landowner to find out if the site will be reforested. Of course, we do not have control if the landowner changes his/her mind about converting to ag or a non-forest use. With regard to hardwood, most hardwood tracts are cut and then regenerated naturally. With regard to secondary sawmill residuals, Fram relies on the Supplier to maintain the terms of the contract. A letter is sent annually reminding the supplier of the FSC categories of risk and to let us know if they cannot comply. The FSC NRA has stated that there is specified risk in conversion but that most of the risk is in urban areas and is due to urban development. Sawmills and logging areas are primarily in rural areas with low risk of receiving conversion wood.
Means of Verification	Supplier Contracts, FSC NRA, FSC NRA maps, site visits/internal audits, verify secondary feedstock records to county level, Contractor training, FSC Chain of Custody Procedure, FSC Controlled Wood Due Diligence
Evidence Reviewed	Supplier Contracts, FSC NRA & conversion maps, Roundwood internal audit checklist, maps/county lists from Suppliers' sourcing areas, Contractor training records, FRF-DP-01, FRF-DP-04
Risk Rating	Specified Risk
Comment or Mitigation Measure	Fram's standard operating procedure (SOP) and mitigation measures for FSC/PEFC Controlled Wood and Chain of Custody Procedure, in conjunction with a strong framework of environmental laws and regulations related to wetland conversion plus a high level of BMP compliance moves 2.1.3 from Specified Risk to Low Risk. Fram's SOPs include pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier correspondence and training, Fram personnel training on conversion wood and internal audits/monitoring to ensure supplier compliance to 2.1.3. Fram's Standard Operating Procedures include the following Mitigation Measures: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened

	and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock. • Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting. • Ability to terminate contracts that don’t meet sustainability criteria

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	The FSC US National Risk Assessment concluded Low Risk for the “commercial use of GMO (tree) species” in the 48 lower states. This assessment found no commercial uses of genetically modified trees taking place across the wood supply area. There have been field trials of multiple genera, but no commercial plantings. There have been several evaluations of forest GMO (Genetically Modified Organisms). Currently, the main commercial user of GMO trees is China and only a single species, Populus nigra (Black Poplar, Lombardy Poplar). There are many Restrictions on the use of Genetically Modified Organisms in the United States (http://www.loc.gov/law/help/restrictions-on-gmos/usa.php). Fram did not find its wood supply areas on any lists contained in the FAO Preliminary Review of biotechnology in forestry. Fram is therefore confident that its wood supply does not source wood from forests in which genetically modified trees are planted. http://www.fao.org/docrep/008/ae574e/AE574E00.HTM
Means of	FSC NRA, Fram’s PEFC Risk Assessment, Third-party data

Verification	
Evidence Reviewed	FSC NRA, Controlled Wood Risk Assessment (FRF-DP-05B), FAO report, Global Forest Registry, personal knowledge from time spent working in forest products industry
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.2.1	The BP 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 use of trained loggers is and industry standard in the Southeastern US and exceptionally high levels of logger training and BMP compliance provide sufficient objective evidence of Low Risk. The FSC/PEFC Controlled Wood/Due Diligence Procedures (FRF-DP-04) and Fram Supplier contract requires the suppliers to use trained loggers and comply with BMPs, thus the risk for 2.2.1 is low. Each State Forestry Agency/Commission conducts periodic BMP implementation monitoring (biannually or more frequently in response to complaints). Overall BMP compliance has been documented to be 84-99% for Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee. The 2018 BMP report from the Southern Group of State Foresters showed high rates of compliance in the SE US states with the overall BMP implementation rate increasing from 87% in 2008 to 93.6%in 2018. Examples of BMPs include proper implementation of: Streamside Management Zones (SMZs), stream crossings, road building, mechanical site preparation, chemical site preparation, firebreaks, tree planning, equipment servicing and fertilization. For specific BMPs, the implementation ranges in the region are as follows: Stream Management Zones – 86% to 99% Stream Crossing – 74% to 97% Road Systems – 85% to 97% Harvest Systems – 86% to 99% SMZs protect water quality by reducing the amount of sediment that enters streams as a result of forest management activities. SMZs maintain the stability of the soil around waterways, slowing down overland flow from areas adjacent to the SMZ, minimizing soil

	disturbance around waterways, and by reducing rainfall impact by intercepting precipitation. SMZs provide shade for streams, preventing increases in water temperature. High water temperatures can result in reduced dissolved oxygen in the water, negatively impacting aquatic organisms. SMZs benefit wildlife by providing habitat diversity, travel corridors, and food. It has been cited that nearly 90% of water quality risk related to forestry operations come from forest roads. However, when BMPs are properly implemented, risk is almost nonexistent (https://www.ncforestservice.gov/water_quality/wq_bmp_studies.htm). BMPs for road building, firebreaks and tree planning require that these be placed with the contour of the land with grades of 10% or less when possible. Where soils are highly erosive or a threat of soil erosion exists, water control structures are installed. Some examples include cross-drain culverts, broad-based dips, water bars and rock. Road building BMPs achieve low risk to soil and water quality by slowing the flow of surface water, minimizing the threat of soil movement and the potential damage to vegetation. These structures divert runoff to appropriate watershed locations where water will not alter the existing ecosystem or damage wildlife habitat. Stream crossings are one of the most important aspects of forest road building with respect to water quality, biodiversity and wildlife habitat. BMPs mandate that stream crossings be kept to minimum. It is also mandated that discharge of water control devices will not harm the natural ecosystem, existing water supplies or impact threatened or endangered species. Three typical stream crossing devices are as follows: • Bridges – permanent or temporary, typically create the least disruption to stream flow and have the least effect on fisheries and aquatic life. • Culverts – permanent or temporary. Sizing is critical to mitigate environmental risk. The purpose of the crossing, expected water flow and watershed acreage are considered in sizing. Sizing is increased for permanent installations. • Fords – used only for haul roads where the streambed is firm, banks are low, and the stream is shallow. In addition, gentle grades are required, cross at right angles when possible, use water control structures to prevent water runoff from entering the stream and exposed soil must be stabilized with rock, silt fence or another device. Each state's forestry commission monitors BMP and forestry operation compliance through random logging site inspections and complaint investigation. Fram and business partner Beasley Timber Group, conduct additional internal monitoring of compliance by checking at least two active tracts per month. Furthermore, the Fram Wood Purchase Agreement contractually requires suppliers to use only state certified logging professionals and comply with all BMP and environmental regulations. Supplier compliance is monitored through periodic supplier visits, observations and interviews. Common and widespread forestry practices are an important part of Fram's control system. These practices include a large and successful investment by forest industry in logger training, education and outreach to promote sustainable forestry practices including the protection of T&E species, BMPs and protection of sensitive and special sites.

	Logger training and state level certification initiatives encompass BMP implementation, silviculture, wildlife conservation and biodiversity. Each state's forestry commission monitors compliance through random logging site inspections and investigation. The logger certification programs are designed to promote sustainable harvesting practices. As stated in the Forest Biodiversity, Understanding Biological Health; "Sustainable harvesting practices protect the environment by conserving soil, controlling stream sedimentation, protecting residual trees from damage, and promoting desired regeneration. Practicing these strategies can maintain, or perhaps increase, biodiversity in forest ecosystems."(https://extension.psu.edu/forest-biodiversity-understanding-biological-health-in-our-forests Research shows that loggers trained loggers under the Master Timber Harvester program in Georgia have a 6.3% higher BMP compliance rate than non-trained loggers. All Fram suppliers are required by contract (FRF-DP-06 or FRF-SBP-DP-08) to use trained loggers and implement Forestry BMPs. Fram's Standard Operating Procedures include the following Mitigation Measures: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier • is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock. • Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.

	• Primary feedstock suppliers encouraged to adopt BMPs for Biomass • Harvesting. • Ability to terminate contracts that don't meet sustainability criteria
Means of Verification	Supplier Contracts, Best Management Practices Implementation Surveys by various states, BTM harvest site audits on roundwood into Hazlehurst mill, state BMP audit results, FRF-DP-04 Controlled Wood Procedure
Evidence Reviewed	Supplier Contracts, Best Management Practices implementation surveys, BTM harvest site audits on roundwood into Hazlehurst mill, state BMP audit results, FRF-DP-04 Controlled Wood Procedure
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.2.2	The BP 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	See requirement 2.2.1 above regarding assessments, planning, implementation and monitoring of BMPs which is critical in maintaining soil quality. The regional use of trained loggers and high levels of BMP compliance are evidence of Low Risk. Virtually all wood in the supply area is harvested by trained loggers as a result of the SFI Fiber Sourcing Standard requirements implemented by major segments of the forest and paper industry. Fram Renewable Fuels is a beneficiary of the near universal use of trained loggers across the region. The use of trained loggers is an industry standard in the southeastern United States. Compliance with BMPs is required in contracts with suppliers through the Supply Agreement/Contract (FRF-SBP-DP-08). Examples of BMPs include proper implementation of: Streamside Management Zones (SMZs), stream crossings, road building, mechanical site preparation, chemical site preparation, firebreaks, tree planning, equipment servicing and fertilization. For specific BMPs, the implementation ranges in the region are as follows:

	Stream Management Zones – 86% to 99% Stream Crossing – 74% to 97% Road Systems – 85% to 97% Harvest Systems – 86% to 99% SMZs protect water quality by reducing the amount of sediment that enters streams as a result of forest management activities. SMZs maintain the stability of the soil around waterways, slowing down overland flow from areas adjacent to the SMZ, minimizing soil disturbance around waterways, and by reducing rainfall impact by intercepting precipitation. SMZs provide shade for streams, preventing increases in water temperature. High water temperatures can result in reduced dissolved oxygen in the water, negatively impacting aquatic organisms. SMZs benefit wildlife by providing habitat diversity, travel corridors, and food. It has been cited that nearly 90% of water quality risk related to forestry operations come from forest roads. However, when BMPs are properly implemented, risk is almost nonexistent (https://www.ncforestservice.gov/water_quality/wq_bmp_studies.htm). BMPs for road building, firebreaks and tree planning require that these be placed with the contour of the land with grades of 10% or less when possible. Where soils are highly erosive or a threat of soil erosion exists, water control structures are installed. Some examples include cross-drain culverts, broad-based dips, water bars and rock. Road building BMPs achieve low risk to soil and water quality by slowing the flow of surface water, minimizing the threat of soil movement and the potential damage to vegetation. These structures divert runoff to appropriate watershed locations where water will not alter the existing ecosystem or damage wildlife habitat. Stream crossings are one of the most important aspects of forest road building with respect to water quality, biodiversity and wildlife habitat. BMPs mandate that stream crossings be kept to minimum. It is also mandated that discharge of water control devices will not harm the natural ecosystem, existing water supplies or impact threatened or endangered species. Three typical stream crossing devices are as follows: • Bridges – permanent or temporary, typically create the least disruption to stream flow and have the least effect on fisheries and aquatic life. • Culverts – permanent or temporary. Sizing is critical to mitigate environmental risk. The purpose of the crossing, expected water flow and watershed acreage are considered in sizing. Sizing is increased for permanent installations. • Fords – used only for haul roads where the streambed is firm, banks are low, and the stream is shallow. In addition, gentle grades are required, cross at right angles when possible, use water control structures to prevent water runoff from entering the stream and exposed soil must be stabilized with rock, silt fence or another device. Each state's forestry commission monitors BMP and forestry operation compliance through random logging site inspections and complaint investigation. Fram and business partner Beasley Timber Group, conduct additional internal monitoring of compliance by checking at least two active tracts per month. Furthermore, the Fram Wood Purchase Agreement contractually requires suppliers to use only state certified logging professionals and comply with all BMP and environmental regulations. Supplier

	compliance is monitored through periodic supplier visits, observations and interviews. To date, Fram has had no complaints regarding their sourcing activities in the Supply Base and is not aware of any complaints against secondary or tertiary suppliers supplying mill residuals Logger training and state level certification initiatives encompass BMP implementation, silviculture, wildlife conservation and biodiversity. Each state's forestry commission monitors compliance through random logging site inspections and investigation. The logger certification programs are designed to promote sustainable harvesting practices. As stated in the Forest Biodiversity, Understanding Biological Health; "Sustainable harvesting practices protect the environment by conserving soil, controlling stream sedimentation, protecting residual trees from damage, and promoting desired regeneration. Practicing these strategies can maintain, or perhaps increase, biodiversity in forest ecosystems."(https://extension.psu.edu/forest-biodiversity-understanding-biological-health-in-our-forests Research shows that loggers trained loggers under the Master Timber Harvester program in Georgia have a 6.3% higher BMP compliance rate than non-trained loggers. Best Management Practices address the protection of soils from erosion, compaction and disturbance. BMP compliance is consistently higher than 90%. Fram's Standard Operating Procedures include the following Mitigation Measures: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Fram has partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to help conserve forestland in areas identified as Specified Risk by the FSC US NRA. Various conservation initiatives involve, tree planting, invasive species control, prescribed burning, riparian forest buffers, mapping and other initiatives. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock.

	• Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting. • Ability to terminate contracts that don't meet sustainability criteria.
Means of Verification	State BMP results, Supplier Contracts, company monitoring records email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Evidence Reviewed	Contracts, BTM BMP audits on roundwood into Hazlehurst, state BMP compliance reports, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.2.3	The BP 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	In keeping with the FSC US National Risk Assessment (NRA), specified risk has been determined for High Conservation Value Areas and critical biodiversity areas. As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure (FRF-DP-04), a management system is in place to address areas with high conservation values. The FSC/PEFC Chain of Custody Program contains a Controlled Wood/Due Diligence Procedure (FRF-DP-04) and Supplier Correspondence Procedure and Supply Agreement (FRF-SBP-DP-08, FRF-DP-06) addressing conservation of High Conservation Value Forests to address Critical Biodiversity Areas with regard to harvesting practices. In addition, Fram has also partnered with the American Forest Foundation (AFF), the Longleaf Alliance, the Forest Stewards Guild to help conserve forestland in areas identified as Specified Risk by the FSC US NRA such as native longleaf ecosystems, late successional bottomland hardwood sites, critical biodiversity areas in the Appalachians, Cape Fear Arch, Central Florida and Florida panhandle. This is done with various conservation initiatives involving tree planting, prescribed burning, extended rotations, control of invasive species, riparian forest buffers, mapping of critical biodiversity areas and various other forest management practices to protect and HCV forestland. This is

	described in FRF-DP-04, Fram's mitigation measures for FSC Controlled Wood due diligence. Fram also relies on state and Federal Endangered Species Protection Programs along with the use of trained loggers to recognize threatened and endangered species and to in turn, conserve key ecosystems and habitats. SFI encourages procurement organizations to address the conservation of biodiversity and has a Program to protect Forests with Exceptional Conservation Value. Approximately 45% of Fram's fiber comes from SFI certified procurement groups or SFI certified forests. There is also legislation and programs that address the conservation of key ecosystems and habitats: Environmental Quality Incentives Program (EQIP), the Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), the Conservation Reserve Program (CRP), Healthy Forest Reserve, the Wetlands Reserve Program (WRP), the Wildlife Habitat Incentives Program (WHIP),USFWS Safe Harbor Program, Forest Resource Development Program (FDRP). Fram requires the use of BMPs and trained loggers by primary and secondary Suppliers. BMPs protect water quality, key ecosystems/habitats are conserved, i.e. from harm and destruction. Research shows that loggers trained loggers under the Master Timber Harvester program in Georgia have a 6.3% higher BMP compliance rate than non-trained loggers.
Means of Verification	Maps, company procedures (SOPs), Supplier Contracts, BMPs, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Evidence Reviewed	FRF-DP-04 – Due Diligence, FRF-DP-05/05B- Controlled Wood RA, FRF-SPB-DP-08 – Supplier Contract & Mitigation Measures, FRF-DP-06 – Supplier Contract, BMP compliance rates by state, list of Master Timber Harvester names/numbers of BTM loggers, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Risk Rating	Specified Risk
Comment or Mitigation Measure	FSC Mitigation Measures Specified Risk Mitigation Option Central Appalachian Critical Biodiversity Area (CBA) Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - altering of forest management regimes

	including extended rotation, as well as invasive species control and aquatic zone protection. Southern Appalachian CBA Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Activities riparian forest buffer conservation and establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities. Cape Fear Arch CBA Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - riparian forest buffer conservation and longleaf establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities. Florida Panhandle CBA Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments. Partnership with the Longleaf Alliance to prescribe burn 50,000 acres of natural longleaf stands. Central Florida CBA Education & Outreach. Partnership with the Longleaf Alliance. Fram is corporate partner. The Alliance sponsors Longleaf Academies which educate landowners and loggers. Cheoah Bald Salamander Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild. Patch-Nosed Salamander Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild. Mesophytic Cove Sites Mapping. Partner with Forest Stewards Guild to map mesophytic cove sites in Sandy Mush. Late Successional Bottomland Hardwoods Conservation Initiatives. Partnership with AFF to conserve acreage. Activities- Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments. Native Longleaf Pine Systems Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Longleaf pine establishment activities including herbicide treatment, site preparation burn with firebreaks, containerized seedlings; planting labor; understory burning and other activities. Education and Outreach by partnering with the Longleaf Alliance. Fram's SOPs also include identification of HCVs/IFLs, pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring to ensure supplier compliance to 2.2.3. Fram's Standard Operating Procedures include the following Mitigation Measures:

	• Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock. • Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting. • Ability to terminate contracts that don't meet sustainability criteria

	Indicator
2.2.4	The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	(Note: Indicator 2.2.4 references back to 2.1.2 and 2.1.3 and would require the same mitigation measures. When indicators 2.1.2 and 2.1.3 are met, biodiversity is encouraged and protected. As noted and met in indicator 2.1.1, maps of HCVs, IFLs and other sensitive areas identify HCVs and are available.) Agreement (FRF-DP-06 and FRF-SBP-DP-08) addressing conservation, and subsequently protection of, High Conservation Value Forests and Critical Biodiversity Areas. The Supplier Contracts are instrumental in ensuring BMP and legal compliance with US laws and regulations related to environmental protection and water quality. In particular, BMPs address wildlife and biodiversity by providing habitat, food and cover for

	a variety of wildlife species and optimize diversity of native plants and animals among stands (landscape approach). **<u>The US has a strong system of protection (effective protected areas and legislation) in place that ensures survival of the HCV's in the eco-region.</u>** The states where Fram procures wood have strong regulations and systems for protection addressing threatened and endangered species and HCVs. The states within the wood supply areas have extensive protected areas and conservation reserves that serve to ensure the survival of HCVs across the eco-region. The States also have extensive laws and regulations to protect water quality and provide natural areas for the protection of native biodiversity. Those State laws and regulations are accessible through state agency websites and can be found in Annex 1 – Exhibit C. The states of Alabama, Florida, Georgia, South Carolina, North Carolina and Tennessee document high levels of BMP compliance and have strong legal and regulatory systems in place to ensure legality. BMP practices used during forest management activities and harvesting achieve goals related to water quality, silviculture, soils, wildlife, biodiversity and recreation. "BMPs are not only associated with water quality but their impact is far greater. Monitoring and protection HCVs relies on effective BMP implementation." (Excerpt from FORESTRY Best Management Practices, Peter Smallidge and Gary Goff, Spring 2008, Cornell University College of Agriculture and Life Sciences). BMP implementation rates are high throughout the Fram supply region. Additional evidence of these controls effectiveness: 2017 FL BMP Compliance Survey - 99.6% compliance; 2017 FL Forestry Wildlife BMPs Survey for State Imperiled Species Survey - 100% compliance; 2019 GA BMP Compliance Survey – 94.4% compliance. Other BMPs: AL 98.2% in 2019; SC 99.4% overall harvesting compliance in 2019; NC 84% in 2017 and TN 88.5% overall BMP compliance. Examples of BMPs include proper implementation of: Streamside Management Zones (SMZs), stream crossings, road building, mechanical site preparation, chemical site preparation, firebreaks, tree planting, equipment servicing and fertilization. SMZs protect water quality by reducing the amount of sediment that enters streams as a result of forest management activities. SMZs maintain the stability of the soil around waterways, slowing down overland flow from areas adjacent to the SMZ, minimizing soil disturbance around waterways, and by reducing rainfall impact by intercepting precipitation. SMZs provide shade for streams, preventing increases in water temperature. High water temperatures can result in reduced dissolved oxygen in the water, negatively impacting aquatic organisms. SMZs benefit wildlife by providing habitat diversity, travel corridors, and food.

	BMP's have proven to be effective in protecting ecosystems and biodiversity. For example, it has been cited that nearly 90% of water quality risk related to forestry operations come from forest roads. However, when BMPs are properly implemented, risk is almost nonexistent. (https://www.ncforestservice.gov/water_quality/pdf/BMP_Assessment_Report_2012-2016.pdf pg. 23). BMPs for road building, firebreaks and tree planning require that these be placed with the contour of the land with grades of 10% or less when possible. Where soils are highly erosive or a threat of soil erosion exists, water control structures are installed. Some examples include cross-drain culverts, broad-based dips, water bars and rock. Road building BMPs achieve low risk to soil and water quality by slowing the flow of surface water, minimizing the threat of soil movement and the potential damage to vegetation. These structures divert runoff to appropriate watershed locations where water will not alter the existing ecosystem or damage wildlife habitat. Stream crossings are one of the most important aspects of forest road building with respect to water quality, biodiversity and wildlife habitat. BMPs mandate that stream crossings be kept to minimum. It is also mandated that discharge of water control devices will not harm the natural ecosystem, existing water supplies or impact threatened or endangered species. Three typical stream crossing devices are as follows: • Bridges – permanent or temporary, typically create the least disruption to stream flow and have the least effect on fisheries and aquatic life. • Culverts – permanent or temporary. Sizing is critical to mitigate environmental risk. The purpose of the crossing, expected water flow and watershed acreage are considered in sizing. Sizing is increased for permanent installations. • Fords – used only for haul roads where the streambed is firm, banks are low, and the stream is shallow. In addition, gentle grades are required, cross at right angles when possible, use water control structures to prevent water runoff from entering the stream and exposed soil must be stabilized with rock, silt fence or another device. Each state's forestry commission monitors BMP and forestry operation compliance through random logging site inspections and complaint investigation. Fram and business partner Beasley Timber Group, conduct additional internal monitoring of compliance by checking at least two active tracts per month. Furthermore, the Fram Wood Purchase Agreement contractually requires suppliers to use only state certified logging professionals and comply with all BMP and environmental regulations. Supplier compliance is monitored through periodic supplier visits, observations and interviews.

In addition, Supplier correspondence is conducted annually with suppliers which includes a map of the FSC NRA that identifies HCVs which may be in the Supplier's sourcing area. These HCVs are: 1.)The Florida Panhandle, 2.) Central Florida, 3.) Southern Appalachians. 4.) Central Appalachians and 5.) Cape Fear Arch.

It is also noteworthy that Approximately 45% of Fram's fiber comes from SFI certified procurement groups or SFI certified forests. SFI encourages procurement organizations to address the conservation of biodiversity and has a Program to protect Forests with Exceptional Conservation Value.

Many eco-regionally significant high conservation value areas are protected and preserved.

In addition to parks and reserve areas, other public lands provide considerable conservation values. Federal agencies in the U.S. are required by Section 7 of the Endangered Species Act to protect and recover listed species. Habitat Conservation Plans are required for any potential "taking" of T&E species on public and private lands.

Private conservation efforts such as easements, private reserves and protected areas by the Nature Conservancy, the Trust for Public Lands and other land trusts are active in identifying HCVs and taking steps to purchase and/or protect them through easements.

Locally, the Okefenokee Swamp, Lower Suwannee River, St. Marks, Wolf Island, Blackbeard Island, Harris Neck, Wassaw, Savannah, Bond Swamp, Piedmont, and Great Dismal Swamp National Wildlife Refuges are protected by law from logging and are rich in biodiversity.

Regionally, there are many conservation groups. The Longleaf Alliance and the Nature Conservancy are two strong environmental organizations that promote the protection and conservation of IFLs and special or unique sites.

The Longleaf Alliance (https://longleafalliance.org/) sole mission is the conservation and restoration of longleaf ecosystems. In 2018, they protected 22,414 acres through land acquisition and conservation easements as well as restoration through burning or planting of 1,863,875 acres.

The Nature Conservancy (https://www.nature.org/en-us/) has protected over 116,000,000 million acres of land and 5000 river miles globally in the last 6 decades. In the Fram Supply Base, TNC has preserved 56 rare and unique sites.

World Governance Indicators for the US indicate effectiveness

The World Bank has developed indicators for six dimensions of governance. Four World Bank Indicators relate to effective implementation and compliance with laws and regulations:

Worldwide Governance Indicator	United States, 2018 Percentile
Government Effectiveness	92
Regulatory Quality	92
Rule of Law	89
Control of Corruption	88

The United States has percentile ranks of 88 or higher for the relevant categories, which indicates effective governance and law enforcement. Tables located in Annex 1 – Exhibit D from the World Bank's Worldwide Governance Indicators provide more-detailed comparisons for indicators, demonstrating the United States' standing in terms of good governance. Source: http://info.worldbank.org/governance/wgi/Home/Reports .

Effective legal and regulatory programs to protect High Conservation Value Forests is confirmed by the State wide Forest Resource Assessments conducted in 2010 under requirements of the U.S. Farm Bill. The Food, Conservation, and Energy Act of 2008, often referred to as the Farm Bill, requires each State to complete a State wide Forest Resource Assessment and Strategy to be eligible to receive funds under the Cooperative Forestry Assistance Act. The Strategies ensure that U.S. Forest Service and State programs focus on shared forest resource management priorities to achieve meaningful outcomes.

Two other forestry and conservation organization websites and sources were reviewed, including the World Wildlife Fund (WWF) and The Nature Conservancy. The eco-regions within Fram Renewable Fuels' hardwood fiber supply area were assessed by WWF to be "critical/endangered. Two major types of threats are identified by WWF in their assessments: conversion and degradation. Conversion threats are addressed under the assessment of conversion. Degradation threats include fire suppression, dams and ditching, and poaching of plants and animals. Forestry was not named as one of the current threats identified by WWF.

The Nature Conservancy (TNC) has concluded for the Upper East Gulf Coastal Plain, Interior Low Plateau, Cumberlands & Southern Ridge & Valley, Southern Blue Ridge, Piedmont, East Gulf Coastal Plain, Florida Peninsula, South Atlantic Coastal Plain and the Mid-Atlantic Coastal Plain that: "Though much has been lost, there are still great conservation opportunities in the referenced eco-regions. Many high-quality natural

areas remain as large, functioning landscapes. Many of the rivers and streams in the eco-regions remain relatively intact, but are under threat. TNC has a long history in the ecoregion, and has formed strong governmental and private partnerships, allowing the opportunity to work at large scales to preserve the high biological diversity of this rich ecoregion."

The eco-regions within Fram Renewable Fuels's procurement area have a high percentage of coastal islands, swamps and marshes in a protected status. Other dominant features of the eco-regions include a large number of freshwater wetlands, including some of the largest freshwater wetland ecosystem in the world (the Okefenokee Swamp system). The largest protected area is the Okefenokee National Wildlife Refuge, which is managed by the U.S. Fish & Wildlife Service as a preserve. No commercial forestry activity is allowed.

In 2015, the North American Coastal Plain has been identified as the 36th biodiversity hotspot in the world known for its collection of frogs, birds, freshwater fish and plants. However, much of the loss is due to urban sprawl and rising sea levels. To offset the loss in Florida, Florida Forever Fund has been set up to conserve coastal lands. The Nature Conservancy also preserves 3 coastal sites along the Georgia coast.

Overall, Fram Renewable Fuels's wood procurement area, according to all available studies and resources, is being managed in a sustainable condition. Each State's State wide Assessment and Strategy outlines strategies for achieving long-term forest sustainability and protection of key forest resources. Implementation of the strategies will require continued partnerships among stakeholders and prioritization of available resources. Ongoing demand for forest resources will provide an incentive for forest landowners to maintain their lands in forest cover and sustain important forestry related values, as well as high conservation values.

The AHEC Legality Study, written by the same authors that prepared the Draft Guidance on Controlled Wood Sources for FSC US, concluded:

"We come to the conclusion that wood procured in the study area can be considered Low Risk to threat to HCVs. This conclusion is based on the determination that areas determined to be of highest biodiversity value according to WWF, CI, and Smithsonian/IUCN are all relatively well protected. Additionally, those areas that were determined to hold large, landscape-level forests were exceptionally well-protected. The level of legislative protection, combined with the levels of compliance with regulations (see the sections on regulatory compliance elsewhere in this study) provide strong evidence that logging and the associated activities with logging pose a mitigated threat to HCVF within the study area."

All Fram suppliers have contracts requiring the use of trained loggers and adherence to BMPs and the Endangered Species Act (ESA).

Fram requires suppliers to use trained loggers. All states in the Fram Supply Base have professional logger training and logger status such as the Georgia Master Timber

	Harvester program, South Carolina Top Logger and Florida Master Logger. These logger training programs are usually coordinated through the SFI State Implementation Committee. Loggers are trained to recognize threatened and endangered plant and animal species, such as red-cockaded woodpeckers and gopher tortoises, and avoid those areas. BMP training is also part of logger education which results in less disturbance to sensitive areas along streams and rivers. Research shows that loggers trained loggers under the Master Timber Harvester program in Georgia have a 6.3% higher BMP compliance rate than non-trained loggers. In addition, the US has a strong legal framework that protects endangered species (and subsequently their ecosystems) through the Endangered Species Act (ESA). Since 1969, 99% of listed species have been prevented from going extinct through the efforts of the FWS Recovery program and partnering with other agencies and organizations. Compliance to U.S. Endangered Wildlife regulations have proven to be effective. For example, the bald eagle population in the lower 48 States has increased from approximately 487 breeding pairs in 1963, to an estimated 9,789 breeding pairs today. "The recovery of the bald eagle is due in part to the reduction in levels of persistent organochlorine pesticides (such as DDT) occurring in the environment and habitat protection and management actions. (https://www.federalregister.gov/documents/2007/07/09/07-4302/endangered-and-threatened-wildlife-and-plants-removing-the-bald-eagle-in-the-lower-48-states-from) Another example is the red-cockaded woodpecker recovery. "The goal of the U.S. Fish and Wildlife Service's (Service) red-cockaded woodpecker recovery program is to conserve the species and the ecosystem upon which it depends. Today, the red-cockaded woodpecker is found in 11 states (AL, AR, FL, GA, LA, NC, MS, OK, SC, VA, and TX), and occurs on federal, state and private lands. Red-cockaded woodpeckers have increased in number range-wide in response to recovery and management programs, from an estimated 4,694 active clusters in 1993 to 6,105 in 2006. Management plans have been developed for federal and state agencies with recovery populations. On private lands, more than 40 percent of the known red-cockaded woodpeckers are benefiting from management approved by the Service through Memorandum of Agreements, Safe Harbor Agreements, and Habitat Conservation Plans." (https://www.fws.gov/rcwrecovery/)
Means of Verification	Stakeholder input, FRF-DP-05/05B – Controlled Risk Assessment, Supplier Contracts, Supplier Correspondence, Trained Logger Programs/Education topics, Validation of Master Timber Harvester use, Internal audits, Supplier/Sawmill visits, interviews with foresters, Ranking of US in Worldwide Governance Indictor, State BMP audit compliance %, Environmental laws and legislation, conservation efforts by various environmental organizations, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication

Evidence Reviewed	No stakeholder input was received from Stakeholder letters sent to stakeholders FRF-DP-05/05B – Controlled Wood Risk Assessment Supplier Contracts; BTM forester verify MTH numbers; UGA and Southeastern Wood Producers Association websites reviewed for Continuing Education classes available. Annual Supplier correspondence regarding FSC principles and maps of HCV areas. US ranks 89% and 92% in Rule of Law and Regulatory Quality, respectively. State BMP compliance surveys. District of Origin checks and sawmill/supplier internal audit checklists The Nature Conservancy , the Longleaf Alliance and CEPF websites email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Risk Rating	Specified Risk
Comment or Mitigation Measure	Fram's SOPs include identification of HCVs/IFLs, pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring in conjunction with a strong framework of environmental laws, regulations and levels of conservation move 2.2.4. from specified risk to low risk. Mitigation Measures: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Fram has partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to help conserve forestland in areas identified as Specified Risk by the FSC US NRA. Various conservation initiatives involve, tree planting, invasive species control, prescribed burning, riparian forest buffers, mapping and other initiatives. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock.

	• Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting • Ability to terminate contracts that don't meet sustainability criteria. FSC Mitigation Measures: Specified Risk Mitigation Option Central Appalachian Critical Biodiversity Area (CBA) Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - altering of forest management regimes including extended rotation, as well as invasive species control and aquatic zone protection. Southern Appalachian CBA Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Activities riparian forest buffer conservation and establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities. Cape Fear Arch CBA Conservation Initiatives. Partnership with AFF to conserve ACREAGE. Activities - riparian forest buffer conservation and longleaf establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities. Florida Panhandle CBA Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments. Partnership with the Longleaf Alliance to prescribe burn 50,000 acres of natural longleaf stands. Central Florida CBA Education & Outreach. Partnership with the Longleaf Alliance. Fram is corporate partner. The Alliance sponsors Longleaf Academies which educate landowners and loggers. Cheoah Bald Salamander Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild. Patch-Nosed Salamander Avoidance. No suppliers procuring in these counties. Education partnership with Forest Stewards Guild. Mesophytic Cove Sites Mapping. Partner with Forest Stewards Guild to map mesophytic cove sites in Sandy Mush. Late Successional Bottomland Hardwoods Conservation Initiatives. Partnership with AFF to conserve acreage. Activities- Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments.

	Native Longleaf Pine Systems Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Longleaf pine establishment activities including herbicide treatment, site preparation burn with firebreaks, containerized seedlings; planting labor; understory burning and other activities. Education and Outreach by partnering with the Longleaf Alliance.

	Indicator
2.2.5	The BP has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.
Finding	Forest residues are a by-product of the timber harvest. The removal of forest residues usually occurs at time of harvest. In the 6-state Fram supply basin, the harvesting of forest residues is falls under the same BMP requirements as standing timber and suppliers are required by contract to harvest residues with the same care as roundwood. All 6 states have strong BMPs which protect forest sites and streams during timber harvest and road building. Biannual BMP compliance audits for all states in the Fram Supply Base show a high rate of compliance to BMPs. In 2019. The SC BMP compliance survey showed 100% compliance for Biomass Harvesting. In addition, strong US environmental and water quality laws and regulations minimize the risk to ecosystems. Fram's contracts with all suppliers, both primary and secondary, require the use of trained loggers and compliance with BMPs and all state and federal laws and regulations. Fram has contracts with 100% of its suppliers. As evidence of adherence to BMPs, state BMP summary reports indicate compliance of 90% or better. Overall, BMP implementation rates within the SB ranged from 84% to 99% by state. It is citied in 2.1.2 that these controls are very effective in protecting biodiversity and wildlife habitat. All states in the Fram Supply Base have professional logger training and logger programs such as the Georgia Master Timber Harvester program, South Carolina Top Logger and Florida Master Logger. These logger training programs are usually coordinated through the SFI State Implementation Committee. (SIC). Loggers are trained to recognize threatened and endangered plant and animal species, such as red-cockaded woodpeckers and gopher tortoises, and avoid those areas. BMP training is also part of logger education which results in minimal disturbance to ecosystems.

	Beasley Timber Management (BTM) is responsible for roundwood tops into Hazlehurst Wood Pellets and there are 2-3 in-woods chip suppliers provide in-woods chips primary feedstock to Fram mills as needed. Fram's management system has measures in place to monitor BMP implementation, HCV avoidance and overall compliance with the supply agreement. In cases where Fram is buying roundwood and tops direct from the forest (through Beasley Timber Management or other suppliers), there is additional internal monitoring of compliance by randomly checking at least two active tracts per month. It is also worth noting that secondary and tertiary supplier compliance is monitored through periodic supplier visits, observations and interviews. There are no known violations or complaints within the supply basin The Fram SBE does consider, and cover, primary and secondary suppliers. The intent here is not to dismiss the fact that secondary suppliers are not responsible for proper harvesting of forest residues. For secondary suppliers (sawmills), the forest residues are of lesser importance. Tops, the top piece of a log, would be the forest residue that may or may not be hauled to a pulpmill or pellet mill. Often, tops are left in the woods due to a lack of markets. Fram encourages the use of the Biomass Harvesting BMP's developed for the State of South Carolina by timber harvesting operators. Even though Fram Renewable Fuels does not source roundwood material from South Carolina, the Biomass Harvesting BMPs represent "good practice" are encouraged. South Carolina Biomass Harvesting BMPs sent to Beasley Timber Management Procurement Forester. The South Carolina Biomass Harvesting BMPs can be found at: http://www.trees.sc.gov/mbiomasssupp.pdf
Means of Verification	Review of Fram documents - FRF-DP-04 – FSC Controlled Wood/Due Diligence, FRF-DP-05/05B, - Controlled Wood Risk Assessment, FRF-DP-06 and FRF-SBP-DP-08 – Supplier Correspondence and Supplier Contract, state BMP Compliance Survey results, Federal & State water quality and environmental laws and regulations
Evidence Reviewed	FRF-DP-04 – FSC Controlled Wood/Due Diligence Procedure, FRF-DP-05, - Controlled Wood Risk Assessment, Supplier Correspondence – annual FSC letters/emails, HCV map emails, BTM email regarding biomass harvesting BMPs. Supplier Contracts, state BMP Compliance Survey results, Federal & State water quality and environmental laws and regulations
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.2.6	The BP 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	Fram has a Supplier Contract in place with each supplier that requires the use of trained loggers, who are schooled in BMP compliance. The Supplier Contract also requires the use of BMPs at the FMU. There are rigorous federal and state environmental and water quality laws that suppliers are also required to follow. BMP compliance is a strong indicator of water quality and environmental protection. Each State Forestry Agency/Commission conducts periodic BMP implementation monitoring. BMP compliance has been documented to be 84-99%, for Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee. Forestry practices were evaluated by the Georgia Forestry Commission in 2019 as part of the Statewide Forestry BMP Survey. 254 sites were evaluated. Of the 8074 individual BMPs evaluated, the statewide percentage of correct implementation was 94.40 percent. This is a 1.23 percentage point improvement in BMP implementation from the 2017 survey. By ownership, the percentage of BMP implementation statewide was 96.30 percent on corporate lands, 97.98 percent on public lands and 92.82 percent on NIPF lands. Corporate lands improved 0.98 percent in 2017, while Public and NIPF lands both improved 1-2 percent from 2017 levels. Of particular interest is that the number of Water Quality Risks observed decreased from 51 to 34, for an improvement of 33%. The average ratio of Water Quality Risks per site for the 2019 survey is calculated at 0.13, which is lower than the 0.22 risks per site seen in the 2017 BMP Survey. In Georgia, the forestry community's BMP implementation rate for streamside management zones is 93%. Forest owners continue to do an excellent job of protecting these sensitive areas. In addition, with a 94% overall statewide BMP implementation rate, forest operators as a whole are doing a good job of implementing forestry BMPs. Findings for other states in the Supply Base also indicate high BMP compliance rates. The report from the Southern Group of State Foresters (SGSF) in 2018 reported high rates of BMP compliance : https://www.southernforests.org/resources/publications/SGSF%20Water%20BMP%20Report%20FINAL.pdf/view Seven BMP categories were considered in the report and covered 11 states in the southern region. Alabama, Arkansas, Georgia, Mississippi, North Carolina, Oklahoma, South Carolina,

	Tennessee and Virginia where among those studied. Overall, the southern region BMP implementation average increased from 87% in 2008 to 93.6% in 2018. A recent Technical Bulletin 966 (September, 2009) issued by the National Council for Air and Stream Improvement (NCASI) has reported high levels of compliance with water quality laws and BMP requirements across the U.S: (http://www.ncasi.org/Publications/Detail.aspx?id=3204). State BMP Manuals prescribe best practices to avoid water quality impacts. The State BMP Manuals for forestry are contained below: Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf Florida: http://www.floridaforestservice.com/publications/silvicultural_bmp_manual.pdf Georgia: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf North Carolina: http://ncforestservice.gov/publications/WQ0107/BMP_manual.pdf South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf Tennessee: www.tn.gov/content/dam/tn/agriculture/documents/forestry/AgForBMPs.pdf
Means of Verification	Supplier Contracts, State BMP manuals, State BMP Compliance Survey results, BMP inspection audits completed by BTM
Evidence Reviewed	Supplier Contracts, State BMP Compliance Surveys, BMP inspection audits by BTM
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.2.7	The BP has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.

Finding	Note that Fram does not control how land managers in the Supply Base use prescribed fire. However, the use of prescribed burning is regulated by State Forestry Agencies. The only potential adverse impact to air quality from forestry activities would be from prescribed burning. Permits or authorization are required in Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee. Air quality and smoke management concerns are factors in limiting the ability to apply prescribed fire, which is critical to maintaining Longleaf Pine and other forest ecosystems for which fire is a natural disturbance agent. Prescribed fire is regulated by the following State Forestry Commissions: Alabama: http://www.forestry.state.al.us/BurnPermitLaw.aspx?bv=1&s=1 Florida: http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Wildland-Fire/Resources/Fire-Tools-and-Downloads/Web-Based-Open-Burn-Authorization-Request-WebOBA Georgia: http://www.gfc.state.ga.us/online-permits/index.cfm North Carolina: http://ncforestservice.gov/burn_permits/burn_permits_main.htm South Carolina: http://www.state.sc.us/forest/fireburn.htm Tennessee: http://burnsafetn.org/burn_permit.html
Means of Verification	State agency websites, evidence of citations, state BMPs
Evidence Reviewed	State agency websites, evidence of citations, state BMPs
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.2.8	The BP 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	Fram Renewable Fuels has no involvement in the decision to use or not use forest chemicals and relies on Federal and State laws and regulations. Fram's Supplier Contract require Suppliers to follow State and Federal laws relating to the environment and worker safety. Chemicals applied commercially are strictly regulated and trained and licensed applicators must be used. 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. Anyone familiar with chemical site prep in the BP's supply basin can confirm that the chemicals used are listed for forestry and applied at minimum rates by licensed applications. This method has been a key management tool for pine establishment the past 30 years. Each State forest agency has a Forest Health and Pest Control Division that monitors forest health and determines appropriate actions. State BMP Manuals address the application of chemicals and prescribe best practices to avoid water quality impacts. The State BMP Manuals for forestry are contained below: Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf Florida: http://www.floridaforestservice.com/publications/silvicultural_bmp_manual.pdf Georgia: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf North Carolina: http://ncforestservice.gov/publications/WQ0107/BMP_manual.pdf South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf Tennessee: www.tn.gov/content/dam/tn/agriculture/documents/forestry/AgForBMPs.pdf See EPA website for regulation of forest chemicals under FIFRA. U. S. Environmental Protection Agency home page U. S. Environmental Protection Agency's Office of Water home page Fram Renewable Fuels contributes to Integrated Pest Management (IPM) through its utilization of low valued and low quality forest and mill residues that would otherwise contribute to fire, insect and disease problems. Each State forest agency has a Forest Health and Pest Control Division that monitors forest health and determines appropriate actions. Pest management programs are administered by the following State Forestry Agencies/Commissions. Alabama: http://www.forestry.state.al.us/

	Florida: www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Our-Forests/Forest-Health Georgia: www.gfc.state.ga.us/forest-management/forest-health/ North Carolina: http://www.ncforestservice.gov/forest_health/forest_health.htm South Carolina: http://www.state.sc.us/forest/id.htm Tennessee: www.tn.gov/content/dam/tn/agriculture/documents/forestry/AgForBMPs.pdf
Means of Verification	Existing State and Federal regulations, State BMP Compliance Survey results, Supplier Contracts
Evidence Reviewed	Existing State and Federal regulations, State BMP Compliance Survey results, Supplier Contracts
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.2.9	The BP has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	Fram Renewable Fuels Supplier Contract requires that its supplier must implement BMPs to minimize negative impacts on forest ecosystems and use trained loggers for forest harvesting. Otherwise, the company has no involvement in forest harvesting methods and relies on its Supplier contract, State BMP programs and the use of trained loggers to minimize harm to the ecosystem from waste disposal. Many of Fram's larger suppliers have procurement organizations that are SFI certified. These companies then require the monitoring of trash removal through BMP monitoring reports. State BMPs require the removal of garbage and other wastes. Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf Florida: http://www.floridaforestservice.com/publications/silvicultural_bmp_manual.pdf

	Georgia: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf North Carolina: http://ncforestservice.gov/publications/WQ0107/BMP_manual.pdf South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf Tennessee: http://www.tn.gov/agriculture/publications/forestry/BMPs.pdf
Means of Verification	Supplier Contracts, internal BMP audits from BTM and sawmill suppliers
Evidence Reviewed	Supplier Contracts, internal BMP audit checklists from BTM and sawmill suppliers
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	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	Fram Renewable Fuels's procurement of forest and mill residual material contributes to reducing environmental impacts and enhancing the productivity of forests. Markets for low valued wood products allow for more efficient and cost-effective site preparation and reforestation. The latest forest inventory data for the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee indicate that softwood and hardwood inventories are remaining stable or slightly increasing. Total forestland in the State of Georgia has remained relatively stable since the 1950's. USFS FIA DATA >= 5" DBH Live trees on Forest Land **State County Growth Removals Ratio** AL All 2,032,471,887 1,271,811,772 1.6 FL All 962,501,033 532,990,909 1.8 GA All 1,988,906,880 1,374,740,587 1.4

	NC All 1,650,715,953 898,868,563 1.8 SC All 1,306,833,899 868,192,671 1.5 TN All 701,611,293 408,679,751 1.7 The US Forest Service conducts regular forest inventory surveys of the Southern US states. This information is available online for analysis as well as many prepared reports which detail timber growth and removal down to the county level in each state State Forest Inventory & Analysis (FIA) Updates and Fact Sheets are available on-line: Alabama: http://www.srs.fs.usda.gov/pubs/su/su_srs042.pdf (Total volume of all growing-stock trees rose 154 percent between 1953 and 2010) Florida: http://www.srs.fs.usda.gov/pubs/su/su_srs043.pdf Georgia: http://www.gfc.state.ga.us/forest-management/private-forest-management/forest-inventory/index.cfm North Carolina: http://www.srs.fs.usda.gov/pubs/su/su_srs080.pdf South Carolina: http://www.srs.fs.usda.gov/pubs/su/su_srs041.pdf Tennessee: www.tn.gov/content/dam/tn/agriculture/documents/forestry/AgForBMPs.pdf
Means of Verification	Public data, USFS FIA harvesting and growth to drain data
Evidence Reviewed	Various public reports such as State Fact sheets, with growth drain, economic analysis, etc. for states in Supply Base. 2015 to 2018 FIA Growth & Removal data for 6-state supply base
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).

Finding	Fram Renewable Fuels conducts in-depth internal training for all responsible and affiliated personnel. Fram Renewable Fuels's Supplier Contract contain clauses related to trained loggers and legal compliance, which relate to training. Fram requires its wood suppliers to utilize trained loggers for forest harvesting. The Supplier contract also requires the Supplier to observe all OHSA laws and regulations related to Worker Health and Safety. Virtually all logging contractors across the region are considered Qualified Logging Professionals due to the SFI Fiber Sourcing Standard requirements. OSHA laws require mandated safety training topics for all mill personnel as well as forest workers on an annual basis. Contractors at the port are also required to comply.
Means of Verification	Training sign-in sheets, Safety meeting records, MTH database and other records, OHSA Safety laws, Supplier Contracts
Evidence Reviewed	Training sign-in sheets, Safety meeting records, verified List of MTH numbers for logging crews, Supplier contracts, OSHA safety logs, Logistec or other port safety manual
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	Fram Renewable Fuels' pellet mills contribute to the local economy in the towns that they are located by providing employment and using local businesses. Fram employs approximately 200 people in its 4 pellet mills. Each location contributes significantly to the local economy directly and indirectly by using local business and contractors. A general rule of thumb is that for every direct job in the forest industry, 3 additional jobs are supported. Fram's operations provide a market for landowners who grow timber, harvest and replant. Harvesting for low valued biomass fuel makes a significant contribution to employment by loggers, harvesters and processors, trucking companies and income to landowners. Local harvesting contractors are always used. Improved utilization results in other economic benefits to landowners in reducing site preparation costs and making reforestation more affordable.

	The economic contribution of forestry to the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee economies is substantial. In Georgia, forestry is the #2 industry in the state. Forestry is one of the top agricultural products in Florida and ranks as the #1 manufacturing sector in North and South Carolina. More economic data for each state can be found at the following websites: Alabama: http://forestryimpacts.net/reports/alabama Florida: www.forestryimpacts.net/reports/florida Georgia: www.forestryimpacts.net/reports/georgia South Carolina: http://forestryimpacts.net/reports/south-carolina North Carolina: http://forestryimpacts.net/reports/north-carolina Tennessee: http://forestryimpacts.net/reports/tennessee In May 2019, the US Bureau of Labor and Statistics published that there are 26,030 equipment operators employed in the logging industry nationwide, with an average wage of $22.02 hourly or $42,060 annually. Georgia logging operations employed 1,970 at an average hourly rate of $18.52 or $38,530 annually.
Means of Verification	Fram payroll, State economic data websites and studies, state forest agency websites and documents, US Bureau of Labor and Statistics
Evidence Reviewed	Number of Fram employees, Economic fact sheets from state forest agencies, state forest associations, American Forest & Paper Association
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.4.1	The BP 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 FSC US National Risk Assessment concluded Specified Risk for Category 3 – High Conservation Value areas, thus the initial risk is designated as Specified Risk. However, Fram's Supplier Contract mitigates the risk to Low Risk. The Supplier Contract contains clauses related to use of trained loggers, legal compliance and BMP

	implementation which are instrumental in ensuring the health, vitality and other services provided by forest ecosystems are maintained or improved. Fram requires suppliers, by contract, to use trained loggers. All states in the Fram Supply Base have professional logger training and logger status such as the Georgia Master Timber Harvester program, South Carolina Top Logger and Florida Master Logger. These logger training programs are usually coordinated through the SFI State Implementation Committee. Loggers are trained to recognize threatened and endangered plant and animal species, such as red-cockaded woodpeckers and gopher tortoises, and avoid those areas. BMP training is also part of logger education which results in less disturbance to sensitive areas along streams and rivers. Research shows that loggers trained loggers under the Master Timber Harvester program in Georgia have a 6.3% higher BMP compliance rate than non-trained loggers. As evidence of compliance for specific BMPs, the implementation ranges in the region are as follows: Stream Management Zones – 86% to 99% Stream Crossing – 74% to 97% Road Systems – 85% to 97% Harvest Systems – 86% to 99% Overall BMP compliance - 84% - 99% SMZs protect water quality by reducing the amount of sediment that enters streams as a result of forest management activities. SMZs maintain the stability of the soil around waterways, slowing down overland flow from areas adjacent to the SMZ, minimizing soil disturbance around waterways, and by reducing rainfall impact by intercepting precipitation. SMZs provide shade for streams, preventing increases in water temperature. High water temperatures can result in reduced dissolved oxygen in the water, negatively impacting aquatic organisms. SMZs benefit wildlife by providing habitat diversity, travel corridors, and food. It has been cited that nearly 90% of water quality risk related to forestry operations come from forest roads. However, when BMPs are properly implemented, risk is almost non-existent (https://www.ncforestservice.gov/water_quality/wq_bmp_studies.htm). BMPs for road building, firebreaks and tree planning require that these be placed with the contour of the land with grades of 10% or less when possible. Where soils are highly erosive or a threat of soil erosion exists, water control structures are installed. Some examples include cross-drain culverts, broad-based dips, water bars and rock. Road building BMPs achieve low risk to soil and water quality by slowing the flow of surface water, minimizing the threat of soil movement and the potential damage to vegetation. These structures divert runoff to appropriate watershed locations where water will not alter the existing ecosystem or damage wildlife habitat. Each state's forestry commission monitors BMP and forestry operation compliance through random logging site inspections and complaint investigation. Fram and business partner Beasley Timber Group, conduct additional internal monitoring of compliance by

	checking at least two active tracts per month. Furthermore, the Fram Wood Purchase Agreement contractually requires suppliers to use only state certified logging professionals and comply with all BMP and environmental regulations. Supplier compliance is monitored through periodic supplier visits, observations and interviews and there have been no issues reported. Also worth noting is strong demand for wood products provides landowners an incentive to keep their lands in forest cover. Fram and affiliated facilities directly and indirectly contribute to the health and vitality of the forest resource and dependent communities. The latest forest inventory data for the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee indicate that softwood and hardwood inventories are increasing over the long term, with some yearly fluctuations. Based on USDA Forest Service data, forest land area has remained unchanged at 23-24 million acres since the 1950s but during the same period the wood volume on those acres has increased from 17 billion cuft to 41 billion cuft. This was achieved by education, training, natural tree selection/improvements, replanting superior seedlings and a growing wood market that provided landowners the return on their investment to continue funding forest management activities. State forest agencies, in particular the Georgia Forestry Commission, Florida Forest Service, South Carolina Forestry Commission and Alabama have very active state forestry agencies that monitor forests for wildfires, Southern Pine Beetle, and other pests. There are also federal cost-sharing programs that are administered by state forestry agencies that provide private landowners assistance with tree planting, prescribed burning, invasive species removal, and management plan development that promote healthy, productive forests. An active and robust forest market industry such as those in Georgia and Florida is also good protection against fire and disease. State Forest Action Plans address forest health in the Fram supply base. Alabama: http://www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&s=3 Florida: http://forestactionplans.org/states/florida Georgia: http://www.gatrees.org/about-us/strategic-plan/GAStateAssessment-6-17-10.pdf North Carolina: http://forestactionplans.org/states/north-carolina South Carolina: http://forestactionplans.org/states/south-carolina Tennessee: http://www.tn.gov/agriculture/publications/forestry/TN-FAP_Brochure.pdf
Means of Verification	State forestry agencies' websites, data and public documents, USFS FIA data, State BMP Compliance survey results, Supplier Contracts, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Evidence Reviewed	State forestry agencies Fact Sheets & reports on Forest Health, GA 2013 Sustainability Report, USFS FIA inventory data, USFS growth and removals, State BMP survey results,

	Supplier Contracts, email from Dr. Puneet Dwivedi regarding research paper on MTH awaiting publication
Risk Rating	Specified Risk
Comment or Mitigation Measure	Fram's management systems and mitigation measures for FSC/PEFC Controlled Wood in conjunction with a strong framework of environmental laws, regulations and conservation and a high level of BMP compliance moves 2.4.1 from Specified Risk to Low Risk Fram's SOPs include Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring to ensure supplier compliance to 2.4.1. Fram has also partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to implement various conservation initiatives. Fram's Standard Operating Procedures include the following Mitigation Measures: • Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant). Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests. • A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance. Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity. • Identifying incoming raw materials as either "Certified" or FSC/PEFC Controlled Wood. Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk. • Annual supplier correspondence regarding HCVs and other relevant items • Right to audit at the supplier mill or tract level at any time for all types of feedstock. • Monthly BMP compliance inspections on active logging jobs (primary feedstock). • Quarterly District of Origin checks on primary feedstocks. • Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc. Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain. • Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.

	• Ability to terminate contracts that don't meet sustainability criteria

	Indicator
2.4.2	The BP has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	Fram does not own forest land or manage forest land. Fram relies on well-funded state forest agencies to monitor and manage pest, diseases and fire control. State forest agencies have active forest health and fire control programs administered on all state and private lands, thus Low Risk is found. For example, the Georgia Forestry Commission has a substantive budget, personnel and equipment to prevent and fight forest fires within the State. Another priority of the Forestry Commissions is to monitor, detect and control insects and diseases. See the Georgia Forestry Commissions website addressing forest health: http://www.gfc.state.ga.us/forest-management/forest-health/ The U.S. Forest Service also provides funding to State Forestry Commissions through its State & Private Forestry Programs. See the US Forest Service website addressing fire prevention and control and forest health. https://www.fs.fed.us/spf/ In addition, Fram is active in state forestry associations that represent private forest owners and the wood products industry. These associations work with the forestry commissions to address fire and forest health issues for all landowners. Fram financially supports the Georgia Forestry Association that employ full-time personnel to work with the forestry commission. The Georgia Forestry Association's website is: http://gfagrow.org/ Each state also has a State Implementation Committee (SIC) associated with SFI implementation that also addresses forest management issues, forest health, timber theft and more. Even though Fram is not SFI certified, Fram is a member of the GA SIC committee as part of its support of various forest initiatives. Fram can indirectly influence fuel loadings and forest health through its active utilization of low grade conifer roundwood and residuals. Active utilization reduces wood that would

	otherwise be left in the forest that could contribute to wildfire and insect outbreaks. Forest management, which includes timber harvesting, helps to keep forests healthy by encouraging growth, removing diseased trees and minimizing tree stresses which may make the stand more susceptible to insects and disease. Increased wood utilization directly results in a reduction in fires, pests and diseases. Managed forests are healthy forests and landowners have access to forestry professionals in making management decisions at the forest level. In addition to local forestry organizations, the federal USDA Animal and Plant Health Inspection Service (APHIS), is also charged with the responsibility to safeguard US agriculture and natural resources against the entry, establishment and spread of economically and environmentally significant pests. The USDA Forest Service also is a robust organization with regional research stations to address pest and disease control, forest management and conducts the Forest Inventory Analysis (FIA) used to determine growth and removals.
Means of Verification	State forestry websites, UDSA Forest Service and APHIS websites, memberships in various Forestry Associations,
Evidence Reviewed	Various mission statements, availability of research papers, pest control programs Meeting attendance lists, email to join GA SIC
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.4.3	The BP 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 (CPET S7c).
Finding	Fram Renewable Fuels's Sustainable Forestry Policy (FRF-DOC-02) and Sustainable Biomass Policy (FRF-SBP-DP-03) address legality and compliance with applicable laws and regulations. Fram's Supplier contract requires that Suppliers adhere to all Federal and State laws and regulations. The state forestry agencies in the supply base have active law enforcement divisions that address timber theft, illegal trespass, forest arson and illegal encroachment on private

	lands. State SFI Implementation Committee (SIC) and state forestry associations also address these issues. The FSC NRA has concluded Low Risk for Cat 1 – Illegal Logging. Thus, the FSC US National Risk Assessment does not further address the issue because all parties have recognized it as a non-issue. Fram is implementing the FSC and PEFC Chain of Custody and Due Diligence Systems as additional assurance that illegal and unauthorized activities are Low Risk. Fram has presented detailed evidence in its PEFC Risk Assessment demonstrating that illegal and unauthorized activities in the forest do not occur and are considered Low Risk. Fram has adopted a policy statement of commitment to legal compliance. There have been no enforcement actions, notices to comply or other evidence of illegal activities. These records presented during the independent audit, all demonstrate and provide additional evidence of Low Risk of illegal activities. The AHEC Legality Study also concluded Low Risk to the threat of legality. The conclusion was based on the determination that there was no reported systemic illegal logging.
Means of Verification	Contracts, AHEC Legality Study, FSC US NRA, State Forestry websites, State Association websites
Evidence Reviewed	Contracts, AHEC Legality Study, Fram's FSC certification, State Forestry websites, State Association websites
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.5.1	The BP 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	The FSC NRA has concluded Low Risk for Category 2 – Wood harvested in violation of traditional or human rights. Fram's FSC/PEFC Chain of Custody and Controlled Wood Certificates provide sufficient objective evidence of conformance to the Indicator. There are 3 Federally recognized tribes located within the Fiber Supply Area: the Poarch Band of Creek Indians of Alabama, the Catawba Indian Nation in South Carolina and the Eastern Band of Cherokee Indians in North Carolina. The Cherokee Tribe is in North Carolina, is outside of the Roundwood Supply Base. In addition, the Cherokee have their own independent reservation of 56,000 acres. The tribe is recognized as a sovereign nation that has an active forestry and economic development program. See the Bureau of Indian Affairs website for the Eastern Region: http://www.bia.gov/WhoWeAre/RegionalOffices/Eastern/index.htm Also see the Cherokee Tribe website for information on the economic development activities of the tribe. http://www.cherokeesmokies.com/about_cherokee.html The Fram FSC/Controlled Wood Risk Assessment concludes: "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." Other ILO Conventions: https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871
Means of Verification	FRF-DP-04 (FRAM Renewable Fuels Controlled Wood Due Diligence document), FRF-DP-05/05B (FRAM Renewable Fuels FSC/PEFC Risk Assessment), stakeholder consultation
Evidence Reviewed	FRF-DP-04 (FRAM Renewable Fuels Controlled Wood Due Diligence document), FRF-DP-05/05B (FRAM Renewable Fuels FSC/PEFC Risk Assessment), stakeholder consultation
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.5.2	The BP 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 fulfillment of basic needs.
Finding	State BMPs and Fram's associated Supplier contracts that require adherence to BMPs is a control system for water supply quality as BMPs may influence water supply both directly and indirectly. FSC/PEFC Chain of Custody and Controlled Wood Certificates provide sufficient objective evidence of conformance to this Indicator. No subsistence level communities are present across the supply base where the use of the wood feedstock is essential to fulfil basic human needs. Therefore, this Indicator is not applicable and is outside the scope of Fram Renewable Fuels's SBP Program. As such, it is considered Low Risk. A very broad stakeholder consultation and involvement process did not uncover any entities or organizations with the view that any such subsistence level communities exist across the supply base. The State wide Forest Resource Assessment cited elsewhere in the volumes of SBP evidence had not identified any such subsistence communities. Other ILO Conventions: https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871
Means of Verification	Contracts, FSC/PEFC Chain of Custody and Controlled Wood Certificates, Stakeholder outreach
Evidence Reviewed	Supplier contracts, Fram's FSC/PEFC Chain of Custody and Controlled Wood Certificate, Stakeholder outreach response
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.6.1	The BP 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 US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Fram's FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes. Fram Renewable Fuels has a formal process for receiving and responding to public inquiries, particularly those that potentially relate to practices that may be inconsistent with the FSC/PEFC and SBP Standards. Fram Renewable Fuels relies on legal compliance which is enforced primarily with its contract with Suppliers. Workers may file a complaint to have OSHA inspect their workplace if they believe that their employer is not following OSHA standards or that there are serious hazards. Employees can file a complaint with OSHA by calling 1-800-321-OSHA (6742), online via eComplaint Form, or by printing the complaint form and mailing or faxing it to your local OSHA area office. Complaints that are signed by an employee are more likely to result in an inspection. Other ILO Conventions: https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871
Means of Verification	Contracts, Fram Complaint Log (FRF-SBP-DP-11), Company policies, FSC Certificate
Evidence Reviewed	Supplier contracts, Fram Complaint Logs (FRF-SBP-DP-11 and FRF-DP-12), bulletin boards with OSHA postings in various mills, Fram FSC certificate
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.7.1	The BP 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 US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Fram's FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes. The FSC Self-Declaration Policy addresses the ILO Principles (FRF-DOC-02). The FSC ILO Policy recognizes the pre-eminence of U.S. and State laws and regulations in meeting the intent of the ILO Core Conventions. Fram Renewable Fuels relies on legal compliance which is enforced primarily with its contract with Suppliers. Supply Agreements/Contracts specify compliance with applicable U.S. and state labor laws and regulations (FRF-SBP-DP-08). U.S. law clearly specifies rights to collective bargaining and freedom of association. https://search.usa.gov/search?utf8=✓&affiliate=www.dol.gov&query=collective+bargaining Fram firmly believes that U.S. laws and regulations fully address the intent of the social law requirements of the SBP addressing: 1) freedom of association, 2) compulsory labor, 3) child labor, 4) discrimination and 5) fair labor standards. Fram has presented evidence that it has the following management system and program elements in place to demonstrate Low Risk of violating any of the applicable U.S. laws and the SBP requirements. Those management system elements addressed throughout the documents and procedures include: 1) a Policy Statement of Commitment to legal compliance, 2) a signed Self-Declaration to associate with FSC including the above social issues, 3) access to all applicable laws and regulations as documented in the Supply Base Evaluation, 4) contract provisions with suppliers requiring legal compliance, 5) training of responsible FRAM personnel, 6) internal monitoring and auditing of conformance to applicable laws and certification requirements, 7) corrective and preventive action procedures to address any non-compliance issues, 8) annual management reviews of compliance issues, and

	9) independent certification to numerous standards including SBP, FSC and PEFC. Other ILO Conventions: https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871
Means of Verification	Contracts, FSC/PEFC chain of Custody, Equal Opportunity Employment Act, National Labor Relations Act, ITUC Survey of Trade Unions Rights Violations, FSC Certificate
Evidence Reviewed	Supplier Contracts, ITUC Survey of Trade Unions Rights does not indicate violations in the forest industry, Fram FSC certificate
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.7.2	The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.
Finding	The US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Fram's FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes. Fram Renewable Fuels relies on legal compliance which is enforced primarily with its contract with Suppliers. Fram Renewable Fuels has conducted a Controlled Wood Risk Assessment (FRF-DP-05/5B) covering this issue and concluded that: "There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned." The US Constitution forbids slavery and the US has also ratified ILO Convention 105 - Abolition of Forced Labour Convention, 1957, which means there is a corresponding law to match this convention

	https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 See 2.7.1 above.
Means of Verification	Contracts, Existing US laws, Verification of posting of mandatory Labor Law poster on sites, FSC Controlled RA (FRF-DP-05), FSC certificate
Evidence Reviewed	Supplier Contracts, FRF-DP-05 (Controlled Wood Risk Assessment), employee handbooks/polices, on-site bulletin boards, Fram FSC certificate
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.7.3	The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	The US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Fram's FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes. Fram Renewable Fuels relies on legal compliance which is enforced primarily with its contract with Suppliers. Child Labor laws and regulations are enforced by the U.S. Department of Labor: http://www.dol.gov/dol/topic/youthlabor/ Fram Renewable Fuels has completed a Controlled Wood Risk Assessment (FRF-DP-05/5B) that covers this issue: "There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned."

	ILO Convention 182 (Worst Forms of Child Labour) has been ratified by US. https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 See 2.7.1 above.
Means of Verification	Contracts, verification of posting of mandatory Labor Law poster on sites, FSC Certificate, Company HR policies, Fram CW Risk Assessment
Evidence Reviewed	Supplier contracts, Employee handbook, Posting of Labor Law poster, Fram FSC Certificate, Fram CW RA (FRF-DP-05/05B)
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.7.4	The BP 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	The US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Fram's FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes. Fram relies on legal compliance which is enforced primarily with its contract with Suppliers. The US has a strong legal framework and system of laws and regulations that protect workers and their rights. The Federal Equal Opportunity Act provides rights to workers.

	U.S. anti-discrimination laws and regulations are enforced by the Department of Labor: http://www.eeoc.gov/facts/qanda.html Fram firmly believes that U.S. laws and regulations fully address the intent of the social law requirements of the SBP addressing: 1) freedom of association, 2) compulsory labor, 3) child labor, 4) discrimination and 5) fair labor standards. Other ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871
Means of Verification	Contracts, Postings of Labor Law poster, Company policies, FSC Certificate
Evidence Reviewed	Supplier Contracts, Postings of Labor Law poster, Employee Handbook, Fram FSC Certificate
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.7.5	The BP 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	The US has a strong legal framework and system of laws and regulations that protect workers and their rights, thus Low Risk is concluded. Fram Renewable Fuels contracts with its wood producers and suppliers to supply wood and fiber for use in wood pellets. The Supplier Contract (FRF-SBP-DP-08) specifies contract conditions and compliance with Department of Labor regulations. Contractors can attest to the fact that pay and employment conditions meet or exceed minimum requirements.

	Refer to the U.S. Fair Labor Law website: http://www.flcdatacenter.com/ Internally, Fram wages for employees are significantly above minimum wage and provide paid health insurance, vacation and other benefits for employees. Other ILO Conventions: https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871
Means of Verification	Contracts, HR policies, OSHA regulations
Evidence Reviewed	Supplier Contracts, review of Fram wages, Employee manual
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.8.1	The BP 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	The US has a strong legal framework and system of laws and regulations that protect workers and their rights, thus Low Risk is concluded. These laws protect forest workers' rights and their health and safety while on the job. Fram Renewable Fuels relies on legal compliance which is enforced primarily with its contract with Suppliers. Fram's Supplier Contract (FRF-SBP-DP-08) provisions address worker compensation insurance coverage. FSC/PEFC Certificates provide objective evidence of conformance with health and safety laws and regulations. Review of safety programs – most topics are required by OSHA.

	Additionally, logging contractors are required to carry Worker's Compensation insurance in the event of an accident. These insurance companies have representatives visit the logging sites on a regular basis to validate the safety of the forest workers. There are also regional Logger organizations which offer continuing education, training and support to the logger workforce. Fram pellet mills have a strong commitment to safety and require mill employees to be properly trained, wear PPE and attend regular safety meetings. Fram pellets mills have a Health and Safety Manager and also work with contractors to manage the safety program. Refer to the OSHA Logging Safety website for more details on forest safety: https://www.osha.gov/SLTC/logging/
Means of Verification	Contracts, HR Policies, OHSA regulations
Evidence Reviewed	Supplier contracts, Monthly safety programs & sign-in sheets
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	Indicator
2.9.1	Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.
Finding	High carbon stocks in the Fram Supply Base would be defined as swamps or peatlands, such as the Okefenokee Swamp, or old growth forests. Neither Fram nor its suppliers harvest on peatlands and there are no old growth forests in Fram's supply basin. Fram relies on a strong legal framework and its Supplier Contract for adherence to federal laws, implementation of BMPs and avoidance of peatlands/HCVs. As a mitigation measure, Fram's supplier contract states:

	"The Seller hereby certifies and declares that 100% of the wood fiber supplied, or to be supplied, under this Agreement is 100% vegetable material and that such wood fiber is not obtained from land with high biodiversity value, high carbon stock nor peat land where those values could be significantly threatened." Fram's Supplier contract also requires Suppliers to avoid sourcing wood to Fram mills that comes from forestland that has been converted from old growth or natural stands such as wetland/peatland ecosystems to pine plantations which might have less soil carbon. Ideal, Hazlehurst, Telfair, Archer and secondary suppliers supplying these mills are sourcing from areas that have been in pine production since the early 1900s and are at low risk for being harvested from peatlands or wetlands. Appling sources ~50% hardwood mill residuals which originate from upland hardwood or second growth bottomland hardwoods and are harvested using BMPs which require buffer strips along streams and rivers. It is worth noting that trees planted or regenerated since 2008 would be pre-merchantable in 2019 and not ready for harvest OR entering the feedstock supply chain of sawmills and wood processing plants. **Consequently, trees planted since 2008 would not be entering the Fram feedstock supply chain as mill residuals (sawdust, chips, shavings).** Mill residual feedstock accounts for 74% of Fram's feedstock in 2019. For primary feedstock into Hazlehurst Wood Pellets, the roundwood is 100% pine originating from upland sites within a 100-mile radius from Hazlehurst, GA. The roundwood is small pulpwood-sized material that by virtue of its size, species and age would not originate in a bottomland. Note there are no unprotected peatlands in the Hazlehurst roundwood sourcing area. The Okefenokee, which is in Hazlehurst's sourcing radius, is federally protected. Archer Forest Products sources in-woods chips which are 96% pine on from upland sites and 4% hardwood on upland sites. These in-woods chips are generally wood residues and clean up material (tops, slash) from previously harvested sites to prepare the site for tree planting. The in-woods chips also originate from pine plantation thinings and beetle killed plantations. It is worth noting that there is low risk that Archer primary feedstock would originate from a bottomland or peatland site due to the type of primary feedstock being harvested. Also, the logging equipment used by the in-woods crews is not set up with dual-wheeled tires, logging mats, etc. for logging in swampy areas. The cost of this type of swamp logging is more than the in-woods chips are worth. Fram also relies on a strong legal framework. Since 1977, Section 404 of the Clean Water Act prohibits draining of wetlands. Furthermore, ditching, draining, or filling in of wetlands

	requires a permit from the State and even when a permit is granted these activities cannot change the hydrologic condition or overall drainage or flow patterns of the wetlands or forest lands immediately adjacent to wetlands. Fram's supply agreement requires suppliers to comply with BMPs and all local, state, and federal laws. Fram has inspection controls in place to monitor BMP compliance on its primary feedstock tracts as well as monitoring State Forestry Agencies BMP compliance surveys. There is harvesting on bottomland hardwoods, but these are considered second-growth forests harvested primarily in the outer buffer of SMZs and generally do not meet the definition of high carbon stock. Harvesting is done per state BMPs and with low impact equipment. HCV areas in Florida, such as the Apalachicola Basin, contain multiple protected areas. Florida also maintains Water Management Districts that focuses on management of water resources and manages the Save Our Rivers Program. The Okefenokee Swamp, located in Georgia, has been protected as a National Park and there are various state parks that conserve swamp/peatland areas in Southeast Georgia as well. A paper by the USFS Forest Inventory Analysis describes the carbon stocks in Region 8 (Southeastern US) as increasing: https://www.fs.fed.us/climatechange/documents/SouthernRegionCarbonAssessmentTwoBaselines.pdf Review of evidence shows that areas where high carbon stocks would have been expected in 2008, such as the Okefenokee Swamp, are still high carbon stock areas today based on NRCS maps, in particular the Rapid Carbon Assessment (RaCA) map. The Natural Resources Conservation Service provides a Rapid Carbon Assessment (RaCA) map that identifies areas of high Soil Organic Carbon (SOC) stocks within the Fram supply region. This map indicates that areas of high SOCs exist in the Okefenokee National Wildlife refuge and Florida panhandle. There are also relatively small areas along the eastern coastal plain near river bottoms. https://www.nrcs.usda.gov/wps/portal/nrcs/detail/soils/survey/?cid=nrcs142p2_054164 Fram recognizes these areas as peatland and wetland HCV SOC areas. They are important ecosystems that contribute to biodiversity due to the unique habitat they provide for vegetation and wildlife as well as high SOC areas. It should be noted that the Clean Water Act strongly protects wetlands, including these SOC areas, and has been in effect since 1972. Conversion or changes to these wetland sites would require permission of the Army

	Corps of Engineers. The Army Corps of Engineers and state forestry commissions monitor and enforce CWA legislation. Fram also monitors activity on these HCV sites based on the IFL and NRC maps and evaluates high SOC areas within the supply region. These controls indicate that there is low risk of conversion of these sites since 2008.
Means of Verification	Contracts, Strong legal framework, FIA data, NRCS Rapid Carbon Assessment (RaCA) map, NRCS Histosols map, Fram scale reports and Tract set up cards, FSC/PEFC certification
Evidence Reviewed	Supplier Contracts, FIA carbon studies, NRCS Rapid Carbon Assessment (RaCA) map, NRCS Histosols map, Fram scale reports and Tract set up cards, FSC/PEFC certificates
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a

	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	Available research demonstrates that forest management in the U.S. does not diminish the capability of the forest to serve as carbon sinks, thus Low Risk is concluded. Forests are shown to serve as a carbon sink and offset 13% of carbon emissions from the burning of fossil fuel. http://www.fia.fs.fed.us/forestcarbon/docs/CarbonReport_OnlineDraft-opt.pdf Research addressing harvest impacts on soil carbon storage in temperate forests indicates that there are no significant impacts on mineral soils and their capacity to serve as carbon sinks. See Forest Ecology and Management research article: http://www.nrs.fs.fed.us/pubs/jrnl/2010/nrs_2010_nave_001.pdf Reports by the USDA USFS Southern Research station also show that pine volumes have increased since 2008, showing that there has been no net release of carbon. Forecasts in the resource assessment are for the growth to removal ratio to remain above 1.0 going forward. Also as previously stated, state BMPs monitoring shows very high levels (90%+) of BMP compliance and the avoidance of impacts to water quality and quantity that wetlands containing carbon depend upon. Fram suppliers are required by contract to adhere to BMPs.

	Alabama: http://www.adem.state.al.us/programs/water/forestry.cnt Florida: http://www.floridaforestservice.com/publications/silvicultural_bmp_manual.pdf Georgia: http://www.gfc.state.ga.us/forest-management/water-quality/bmps/2011BMPSurveyResults.pdf North Carolina: http://ncforestservice.gov/publications/WQ0107/BMP_manual.pdf South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf Tennessee: www.tn.gov/content/dam/tn/agriculture/documents/forestry/AgForBMPs.pdf Carbon stocks are available at: http://www.fia.fs.fed.us/forestcarbon/ See U.S. Forest Service website: www.fs.usda.gov/ccrc/topics
Means of Verification	Contracts, FIA data, BMP compliance, various third party reports
Evidence Reviewed	Supplier contracts, FIA analysis of growth and drain, FIA analysis of carbon removals, BMP compliance surveys, “Harvest impacts on soil carbon storage in temperate forests” by Lucas E. Nave, et al.
Risk Rating	Low Risk
Comment or Mitigation Measure	n/a