

# SBP

Sustainable Biomass Partnership

## Fram Renewable Fuels L.L.C. Supply Base Report

Appling County Pellets

Hazlehurst Wood Pellets

Telfair Forest Products

[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)



## Version 1.2 June 2016

### **NOTE:**

**This template, v1.2, is effective as of the date of publication, that is, 23 June 2016. Template v1.1 may still be used for those audits undertaken prior to 23 June 2016 and where the certificate is issued to Certificate Holders before 1 October 2016.**

*For further information on the SBP Framework and to view the full set of documentation see [www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)*

#### *Document history*

*Version 1.0: published 26 March 2015*

*Version 1.1 published 22 February 2016*

*Version 1.2 published 23 June 2016*

© Copyright The Sustainable Biomass Partnership Limited 2016

# Contents

<b>1</b>	<b>Overview</b> .....	<b>1</b>
<b>2</b>	<b>Description of the Supply Base</b> .....	<b>3</b>
2.1	General description.....	3
2.2	Actions taken to promote certification amongst feedstock supplier.....	3
2.3	Final harvest sampling programme.....	6
2.4	Flow diagram of feedstock inputs showing feedstock type [optional].....	6
2.5	Quantification of the Supply Base.....	7
<b>3</b>	<b>Requirement for a Supply Base Evaluation</b> .....	<b>12</b>
<b>4</b>	<b>Supply Base Evaluation</b> .....	<b>12</b>
4.1	Scope.....	13
4.2	Justification.....	13
4.3	Results of Risk Assessment.....	13
4.4	Results of Supplier Verification Programme.....	13
4.5	Conclusion.....	14
<b>5</b>	<b>Supply Base Evaluation Process</b> .....	<b>16</b>
<b>6</b>	<b>Stakeholder Consultation</b> .....	<b>17</b>
6.1	Response to stakeholder comments.....	17
<b>7</b>	<b>Overview of Initial Assessment of Risk</b> .....	<b>17</b>
<b>8</b>	<b>Supplier Verification Programme</b> .....	<b>27</b>
8.1	Description of the Supplier Verification Programme.....	27
8.2	Site visits.....	27
8.3	Conclusions from the Supplier Verification Programme.....	27
<b>9</b>	<b>Mitigation Measures</b> .....	<b>29</b>
9.1	Mitigation measures.....	29
9.2	Monitoring and outcomes.....	29
<b>10</b>	<b>Detailed Findings for Indicators</b> .....	<b>29</b>
<b>11</b>	<b>Review of Report</b> .....	<b>31</b>
11.1	Peer review.....	31
11.2	Public or additional reviews.....	31
<b>12</b>	<b>Approval of Report</b> .....	<b>31</b>

<b>13</b>	<b>Updates</b> .....	<b>33</b>
13.1	Significant changes in the Supply Base.....	33
13.2	Effectiveness of previous mitigation measures.....	33
13.3	New risk ratings and mitigation measures .....	33
13.4	Actual figures for feedstock over the previous 12 months .....	34
13.5	Projected figures for feedstock over the next 12 months.....	34

# 1 Overview

*On the first page include the following information:*

Producer name: Fram Renewable Fuels L.L.C.

Producer locations: 19 Farmer Street, Hazlehurst, GA USA 31539 (Head Office)

248 Sweetwater Dr., Baxley, GA 31513 (Appling County Pellets)

11 West Industrial Blvd., Lumber City, GA 31549 (Telfair Forest Products)

430 Hulett-Wooten Farms Rd., Hazlehurst, GA 31539 (Hazlehurst Wood Pellets)

Geographic position: Appling County Pellets  
31°48'54.80"N  
82°28'04.01"W

Telfair Wood Products  
31°55'44.40"N  
82°40'46.92"W

Hazlehurst Wood Pellets  
31°53'35.53"N  
82°35'01.80"W

Primary contact: Elizabeth van Tilborg, Sustainability/Certification Manager  
PO Box 1810  
Hazlehurst, GA 31539  
912-375-3068  
[vantilborg@framfuels.com](mailto:vantilborg@framfuels.com)

Company website: [www.framfuels.com](http://www.framfuels.com)

Date report finalised: 14 Feb 2018

Close of last CB audit: Brunswick, GA

Name of CB: SCS Global Services

Translations from English: No

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

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBE on Company website: [www.framfuels.com](http://www.framfuels.com)

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Description of the Supply Base

### 2.1 General description

FRAM Renewable Fuels L.L.C.'s wood pellet production plants and port facilities are located in Georgia, USA. All facilities and sites operate the same SBP Program and Procedures, but are assessed separately and issued individual SBP Certificates. The 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 hardwood/pine forests in the Upper East Gulf Coastal Plain, Interior Low Plateau, Cumberslands & Southern Ridge & Valley, Southern Blue Ridge, Piedmont, East Gulf Coastal Plain, South Atlantic Coastal Plain Regions, Mid-Atlantic Coastal Plain and Florida Peninsula regions. A map of the procurement area is included in the Supply Base Evaluation (SBE) and Risk Assessment (RA) as an Appendix, and is available upon request.

The SBE and RA include the states of Alabama, North Central Florida, Georgia, North Carolina, South Carolina and Tennessee 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. The pellet market in the US utilizes less than 1% of the of the overall forest products market compared to US pulpmills, sawmills and other wood processing facilities.

FRAM Renewable Fuels L.L.C. and affiliated organizations do not own forest land and do not decide what forests to harvest, are not engaged in the harvesting or forest management activities and do not have responsibility for direct wood procurement. All wood and fiber is supplied to the pellet mills by indirect wood producers, such as primary sawmills and secondary furniture and other wood manufacturing facilities or brokers, dealers and loggers. Beasley Timber Management is contracted to supply roundwood to Hazlehurst Wood Pellets (HWP). HWP is the only pellet mill that sources wood directly from the forest. Thus, FRAM Renewable Fuels L.L.C. is considered an Indirect and Secondary Producer that can indirectly influence forest management, but cannot control how the forests are managed and how they are harvested. Land management and harvesting decisions are made by private family forest owners, in the context of U.S. Federal and State laws, regulations and State administered Best Management Practices for water quality and beneficial use protection.

The States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee have large and well funded State Forestry Commissions that administer a comprehensive set of programs including: landowner outreach and extension, forest inventory and analysis, forest fire and pest prevention, BMP implementation and monitoring, smoke management planning and scheduling, forest resource and wildlife assessments and action plans, and other forest sustainability programs.

FRAM Renewable Fuels L.L.C.'s influence is through policies, supply contracts and periodic monitoring of suppliers. The use of forest residuals, sawmill and converting facility residuals provide an important market for low valued wood products that improves forest health conditions, minimizes fuels that contribute to wildfire, reduces site preparation costs, facilitates prompt reforestation and establishment of forest cover and provides the landowner with an economic incentive to keep their land in forest production.

The SBE focuses on the potential wood supply area of its wood suppliers and its residual sawdust suppliers. All wood material is sourced according to the Forest Stewardship Council (FSC) and PEFC Chain of Custody & Controlled Wood Standards and are considered an "SBP-approved Controlled Feedstock." The additional

SBE evaluation addresses each of the Biomass Feedstock Indicators, documents the Objective Evidence of Conformance, and assigns each Indicator with the appropriate "Risk" rating.

FRAM Renewable Fuels L.L.C. has not modified or adjusted the Indicators contained in Standard # 1. FRAM Renewable Fuels L.L.C. is, in all cases, two or more contracts removed from the Forest Management Unit (FMU). The verifiers or evidence of conformance have been developed to meet the requirements of Federal and State laws, State BMPs, and the requirements of the FSC and PEFC Standards. The verifiers contained in the SBE represent objective evidence of conformance that have been audited by independent Certification Bodies accredited to conduct audits to the above Standards. Independent audits have involved stakeholder consultations and have provided feedback that the verifiers are appropriate and acceptable evidence of conformance to the FSC, PEFC and SBP Standards.

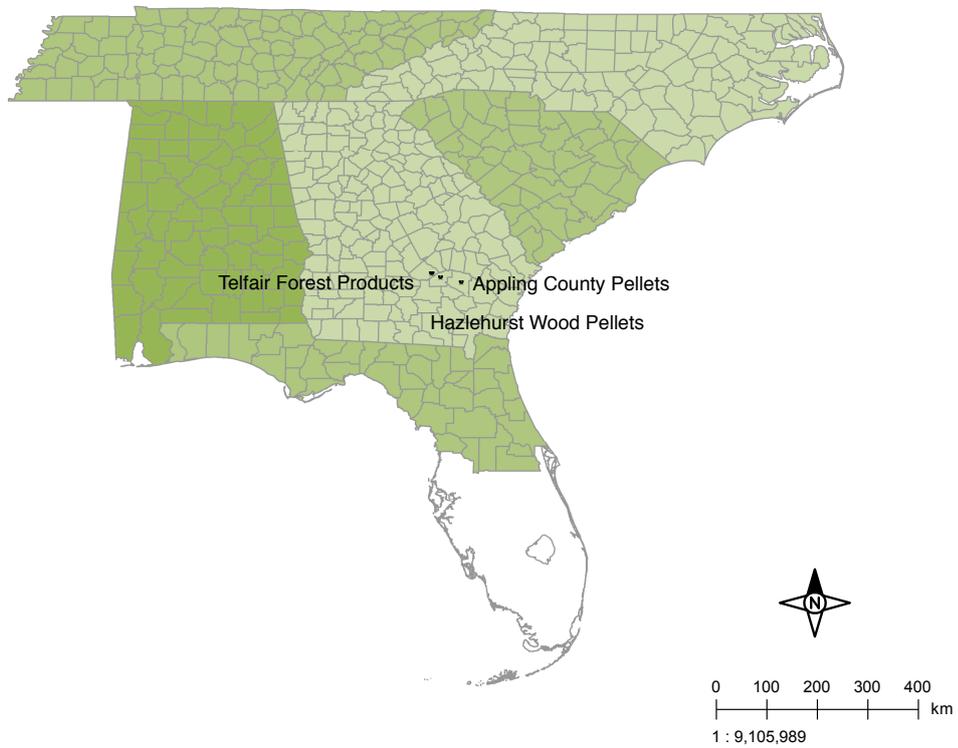
Existing certifications include FSC and PEFC Chain of Custody and Controlled Wood Standards. These certifications help to ensure "Low Risk" of sourcing controversial or uncontrolled wood and fiber. The company's existing Standard Operating Procedures (SOPs) constitute "Mitigation Measures" and contribute to the finding of Low Risk for all Standard # 1 Indicators. Thus, all wood pellet outputs are considered "SBP-compliant Biomass" and "EUTR-compliant Biomass."

FRAM Renewable Fuels L.L.C. does not utilize feedstock from any CITES species within the procurement region. A list of commonly sourced species is contained in the Tree Species List in the Controlled Wood Risk Assessment.

FRAM Renewable Fuels L.L.C. utilizes both hardwood and softwood forest and mill residuals. The residual sawdust is generated by up to sixty-seven (67) primary sawmills and secondary converting facilities, all located in Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee. The pellet facilities do not own forestland and do not directly procure wood from the forest. The facilities also do not use any construction, demolition or post-consumer derived feedstock.

## Map of Fram Renewable Fuels Supply Base Area and FSC Risk Assessment Area

### **Fram Renewable Fuels Risk Assessment Area 2017**



Created on: 11/4/2015 10:10:54 AM

## 2.2 Actions taken to promote certification amongst feedstock supplier

The vast majority of the FRAM Renewable Fuels L.L.C.'s wood and fiber inputs are sourced from indirect suppliers. All wood and fiber material is sourced according to the FSC/PEFC Chain of Custody and Controlled Wood Standards and is considered at least "controlled material," which provides evidence that it is Low Risk of Illegality and unsustainability.

Formal correspondence is sent to the suppliers with a Supply Agreement specifying conditions and Mitigation Measures to ensure compliance with all applicable laws and regulations, implementation of water quality BMPs, use of trained loggers and protection of High Conservation Values.

Fram Renewable Fuels, L.L. C. is a member of the Georgia, Florida and South Carolina Forestry Associations, the Forest Landowners Association, the South Carolina Loggers Association and the Southeastern Wood Products Association that promote 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.

## 2.3 Final harvest sampling programme

FRAM Renewable Fuels L.L.C. relies on its wood and fiber suppliers to conduct monitoring of their wood procurement activities and those of its residual sawdust suppliers to ensure that the Districts of Origin/Supply Base have been verified, that BMPs are being implemented, that the loggers have been trained under the State Logger Training Programs and that operations are in regulatory compliance.

Suppliers of wood and fiber maintain records and can make them available to FRAM Renewable Fuels L.L.C. and the Certification Body, upon request.

FRAM Renewable Fuels, L.L.C. also conducts sampling of its roundwood suppliers. This is where the company has the closest connection to the forest sourcing roundwood for the Hazlehurst Mill. The Sustainability/Certification Manager uses the sub-sample formula as follows:  $0.8 \times \text{the square root of the total number of suppliers}$  to pre-select roundwood suppliers on a quarterly basis for audit. The Wood Producer is visited and on-site monitoring surveys are reviewed and opportunities for improvement are addressed. In addition to the quarterly audit of roundwood suppliers, two (2) active tracts are sampled for BMP compliance on a monthly basis.

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

## 2.5 Quantification of the Supply Base

### Supply Base

a. Total Supply Base area (ha): **44,023,334 ha**

9,359,136 ha Alabama  
6,140,228 ha Florida  
10,007,260 ha Georgia  
7,613,942 ha North Carolina  
5,250,458 ha South Carolina  
5,652,310 ha Tennessee  
**44,023,334 ha**

b. Tenure by type (ha): **37,335,605 ha Private Land**  
**6,687,729 ha Public Agencies**

8,758,760 ha Private Land – Alabama  
3,990,964 ha Private Land – Florida  
8,930,272 ha Private Land – Georgia  
6,337,872 ha Private Land – North Carolina  
4,604,628 ha Private Land – South Carolina  
4,713,110 ha Private Land – Tennessee  
**37,335,605 ha Private Land**

600,376 ha Public Agencies - Alabama  
2,149,264 ha Public Agencies – Florida  
1,076,988 ha Public Agencies – Georgia  
1,276,070 ha Public Agencies – North Carolina  
645,830 ha Public Agencies – South Carolina  
939,200 ha Public Agencies – Tennessee  
**6,687,729 ha Public Agencies**

c. Forest by type (ha): **16,889,408 ha Temperate Pine**  
**4,863,879 ha Temperate Oak-Pine**  
**14,546,012 ha Temperate Oak-Hickory**

4,054,212 ha Temperate Pine Forests – Alabama  
2,846,694 ha Temperate Pine Forests – Florida  
4,488,804 ha Temperate Pine Forests – Georgia  
2,466,514 ha Temperate Pine Forests N Carolina  
, 2,516,234 ha Temperate Pine Forests – S Carolina

516,614 ha Temperate Pine Forests – Tennessee

**16,889,408 ha Temperate Pine Forests**

1,204,162 ha Temperate Oak-Pine - Alabama  
583,167 ha Temperate Oak-Pine- Florida  
1,105,434 ha Temperate Oak-Pine - Georgia  
982,912 ha Temperate Oak-Pine – N Carolina  
593,837 ha Temperate Oak-Pine – S Carolina  
394,366 ha Temperate Oak-Pine - Tennessee

**4,863,879 ha Temperate Oak-Pine**

2,873,087 ha Temperate Oak-Hickory - Alabama  
894,094 ha Temperate Oak-Hickory - Florida  
2,611,941 ha Temperate Oak-Hickory - Georgia  
2,939,410 ha Temperate Oak-Hickory – N Carolina  
1,160,154 ha Temperate Oak-Hickory – S Carolina  
4,067,326 ha Temperate Oak-Hickory - Tennessee

**14,546,012 ha Temperate Oak-Hickory**

d. Forest by management type (ha): **11,025,819 ha Planted Forest**

**32,997,514 ha Managed Natural Forest**

3,022,267 ha Planted Forest – Alabama  
1,885,666 ha Planted Forest – Florida  
3,127,355 ha Planted Forest – Georgia  
1,339,709 ha Planted Forest – North Carolina  
1,345,347 ha Planted Forest – South Carolina  
305,475 ha Planted Forest – Tennessee

**11,025,819 ha Planted Forest**

6,336,868 ha Managed Natural Forest - Alabama  
4,254,561 ha Managed Natural Forest - Florida  
6,879,904 ha Managed Natural Forest - Georgia  
6,274,233 ha Managed Natural Forest – N Carolina  
3,905,111 ha Managed Natural Forest – S Carolina  
5,346,836 ha Managed Natural Forest – Tennessee

**32,997,514 ha Managed Natural Forest**

- e. Certified forest by scheme (ha): **3,950,863 ha SFI**  
**582,078 ha FSC**  
**2,855,857 ha ATFS**

1,173,968 ha SFI – Alabama  
693,131 ha SFI – Florida  
951,001 ha SFI – Georgia  
461,825 ha SFI – North Carolina  
483,258 ha SFI – South Carolina  
187,680 ha SFI – Tennessee

**3,950,863 ha SFI**

257,656 ha FSC – Alabama  
36,400 ha FSC – Florida  
40,681 ha FSC – Georgia  
63,010 ha FSC – North Carolina  
111,394 ha FSC – South Carolina  
72,937 ha FSC– Tennessee

**528,078 ha FSC**

1,070,179 ha ATFS – Alabama  
432,085 ha ATFS – Florida  
773,136 ha ATFS – Georgia  
166,237 ha ATFS – North Carolina  
277,831 ha ATFS – South Carolina  
136,389 ha ATFS – Tennessee

**2,855,857 ha ATFS**

## Feedstock

- f. Total volume of Feedstock:

200,000 to 400,000 metric tons per year\* – Appling County Pellets

0 to 200,000 metric tons per year \*– Telfair Forest Products

200,000 to 400,000 metric tons per year \*– Hazlehurst Wood Pellets

g. Volume of primary feedstock:

N/A Appling County Pellets (residuals only)

N/A Telfair Forest Products (residuals only)

200,000 to 400,000 metric tons per year \* – Hazlehurst Wood Pellets

h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

- Hazlehurst Wood Pellets, 80-100% primary feedstock

i. 10% Certified to an SBP-approved Forest Management Scheme

1. 8% is SFI \*

2. 2% is ATFS \*

ii. 90% is not certified to an SBP-approved Forest Management Scheme

\* No certified forest content claims are passed to Fram; this for information only

i. List all species in primary feedstock, including scientific name Slash pine: (*Pinus elliotii*), Loblolly pine (*Pinus taeda*), Longleaf pine (*Pinus palustris*), Shortleaf pine (*Pinus echinata*), Pond pine (*Pinus serotina*), Spruce pine (*Pinus glabra*), Sand pine (*Pinus clausa*)

j. Volume of primary feedstock from primary forest: 0% - No primary forests are harvested

k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

N/A (No primary forests are harvested)

l. Volume of secondary feedstock: specify origin and type - the volume may be shown as a % of the figure in (f) if a compelling justification is provided\*

Appling County Pellets secondary mill residuals – 80-100% sawdust, 0-19% chips

Telfair Forest Products secondary mill residuals – 40-59% shavings 20-39% sawdust, 0-19% chips

Hazlehurst Wood Pellets secondary mill residuals - 0-19% sawdust, 0-19% chips

- m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided\*.

Appling County Pellets tertiary mill residuals – 0-19% sawdust

Telfair Forest Products tertiary mill residuals – 0-19% sawdust, 0-19% shavings

\*Disclosure of the exact volume figures would reveal commercially sensitive information that may allow competitors to gain a competitive advantage. Feedstock volumes and mix of feedstock into mills are confidential and not public knowledge.

### 3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
X	<input type="checkbox"/>

A Supply Base Evaluation was conducted so that all feedstock material can be considered SBP compliant. The predominance of FRAM Renewable Fuels L.L.C.'s feedstock consists of secondary mill residues. A small percentage of pre-consumer tertiary residues and roundwood is also included as feedstock that do not originate from an SBP approved Forest Management Scheme. (Note that all feedstocks are certified as FSC controlled wood.)

## 4 Supply Base Evaluation

### 4.1 Scope

While the SBE & Risk Assessment includes information and evidence from across all six States of Alabama, Florida, Georgia, South Carolina, North Carolina and Tennessee, the fiber supply area is significantly smaller and extends approximately 60-100 highway miles from all sources of supply.

The Appling County Pellets mill, which uses 100% mill residuals, has the largest supply area which reaches into 6 states. Telfair Forest Products and Hazlehurst Wood Pellets mills' sourcing area is a smaller subset of the 6-state supply area that includes Georgia, Florida and South Carolina for secondary feedstock mill residuals. The Supply Base also includes roundwood into the Hazlehurst facility, which is sourced from an 80-mile radius around Hazlehurst, GA. A map of the Supply Base is available, upon request.

### 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 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.

The FRAM Renewable Fuels L.L.C.'s FSC, PEFC and SBP Documents and Procedures provide the bulk of the evidence contained in the Supply Base Evaluation and Risk Assessment.

### 4.3 Results of Risk Assessment

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".

FRAM Renewable Fuels L.L.C. has identified the Southern Appalachians, Central Appalachians, Cape Fear Arch in North Carolina, Florida Panhandle and Central Florida as potentially "Unspecified Risk." However, a rigorous system of protection in place to safeguard these habitats, along with FRAM Renewable Fuels L.L.C.'s existing mitigation measures, are sufficient to move this "Unspecified Risk" to "Low Risk".

The Risk Assessment considered all of the Standard Operating Procedures (SOPs) previously implemented by FRAM Renewable Fuels L.L.C. 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.

FRAM Renewable Fuels' existing mitigation serves to designate 2.1.2 as low risk. These measures include Supply Agreement provisions with suppliers to include the following requirements: 1) implement water quality BMPs to protect water quality and beneficial aquatic habitats, 2) the use of qualified and trained loggers, 3) compliance with all applicable laws and regulations, and 4) take steps to avoid potential impacts from logging to Critical Biodiversity Areas. The primary mitigation measure is the Supplier Contract.

The existing mitigation measures in place also include harvest monitoring and BMP compliance on roundwood tracts into Hazlehurst with tract inspections on a regular basis. Secondary feedstock sourcing is monitored by the Fram Procurement Manager on a regular basis based on a sampling formula of the square root of the number of suppliers times 0.8.

Native longleaf pine savannas are identified as Priority Forest Types (PFT) in some evaluations of High Conservation Values, particularly for Central Alabama, Florida Panhandle and Cape Fear Arch critical biodiversity areas. With respect to longleaf pine savannas that may fall within FRAM Renewable Fuels L.L.C.'s supply base, the State Forestry Commissions have active programs to restore longleaf pine ecosystems, in conjunction with private conservation organizations such as the Nature Conservancy, the Conservation Fund and other private and public sector partnerships. Organizations like the Longleaf Alliance report that the acreage in longleaf forest has increased across the Southeast region from 2.8 million acres in the 1990's to approximately 3.2 million acres. More information on the Longleaf Alliance and the status of Longleaf Pine recovery efforts are available at: <http://www.longleafalliance.org/overview/status-of-the-lla>

The Low Risk findings of the Supply Base Evaluation & Risk Assessment are consistent with the findings of the FSC Chain of Custody and Controlled Wood Assessment under FSC-STD-40-005 V3-1 and PEFC Chain of Custody Due Diligence System (PEFC ST 2002:2013).

FRAM Renewable Fuels has determined that, relative to FSC CW, all risk categories have been deemed low risk due to the Standard Operating Procedures (SOPs) previously implemented by FRAM Renewable Fuels L.L.C. 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.

## 4.4 Results of Supplier Verification Programme

By virtue of the finding of Low Risk to the SBP Standard # 1 Indicators, the Low Risk finding of the applicable FSC/PEFC Controlled Wood and Due Diligence System Risk Assessment and the implementation of policies and contract provisions to avoid any impacts on Critical Biodiversity Areas, there is a "Low Risk" of noncompliance with the SBP requirements in Standard # 1.

Mitigation Measures are included in the Supply Agreements and other requirements with the suppliers to ensure implementation of Mitigation Measures contained in Section 4.3 above. In addition, FRAM Renewable Fuels L.L.C. has close relationships with residual suppliers and ascertains District of Origin for residuals and has informed suppliers of potential HCV areas in their sourcing basins. FRAM Renewable

Fuels L.L.C. has a procedure in place for monitoring BMP compliance on roundwood tracts procured by Beasley Timber Management and delivered to Hazlehurst Wood Pellets. Rigorous Federal and State laws also mitigate the risk of receiving illegally or unsustainably harvested wood.

## 4.5 Conclusion

The Supply Base Evaluation & Risk Assessment concluded "Low Risk" for all SBP Indicators, based upon the Standard Operating Procedures (SOPs) of FRAM Renewable Fuels L.L.C. The Supply Base Evaluation drew on the more than five (5) year history and record of conformance to FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence.

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. FRAM Renewable Fuels L.L.C. requires its suppliers to use trained loggers, requires compliance with laws and regulations as well as State Best Management Practices and requires that steps be taken to avoid impacts to any Critical Biodiversity Areas located in the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida. Feedback from the Stakeholder Consultation process was positive and reinforced the finding that there is a need for markets of low valued forest and sawmill residual material.

All inputs are currently 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).

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 least considered "SBP Controlled Feedstock" and, according to the SBE/RA, SBP-compliant Feedstock. All non-certified sources are Low Risk for all Standard # 1 Indicators, with Mitigation Measures already in place addressing the potential of sourcing wood from High Conservation Value Forests.

By virtue of the Low Risk rating and Mitigation Measures already being applied to conservation of the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida, all wood pellet outputs from FRAM Renewable Fuels L.L.C. and affiliated pellet mills are considered "SBP-compliant Biomass."

## 5 Supply Base Evaluation Process

FRAM Renewable Fuels L.L.C. retained R.S. Berg & Associates, Inc. to prepare the 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. Resume, Client List and other information is available at the following website: <http://www.rsbergassoc.com/>

FRAM Renewable Fuels L.L.C. is independently certified to the FSC/PEFC Chain of Custody and Controlled Wood Standards. FRAM Renewable Fuels L.L.C. sources all primary and secondary inputs from suppliers that are within scope of the FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence Standards.

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  $0.8 \times \text{the square root of } n$ , where  $n$  is the number of suppliers. This results in approximately 7 to 10 inspections of secondary/tertiary residual suppliers and 25 to 40 roundwood suppliers per year.

## 6 Stakeholder Consultation

A Stakeholder Consultation Procedure (FRF-SBP-DP-04) was developed that included 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. A Summary of Stakeholder input was prepared documenting input and responses by FRAM Renewable Fuels L.L.C.

The SBP website contains copies of Version 1.0 that were issued March 26, 2015. Because the Standards were recently issued and the SBP Standards are not well known or understood in the U.S., FRAM Renewable Fuels L.L.C. is uncertain what level of awareness exists within the stakeholder community.

### 6.1 Response to stakeholder comments

#### **Comment 1:**

**From Tim Adams, South Carolina Forestry Commission, Sept 16, 2015**

Elizabeth,

Thank you for requesting our input into your process of conducting a Supply Base Evaluation and Risk Assessment. I understand that Fram Fuels is primarily operating off of mill residues from a couple large Georgia hardwood mills. In my role with the South Carolina Forestry Commission, I oversee our Forest Inventory & Analysis (FIA) and Timber Products Output (TPO) programs. Both programs provide critical data that help address the sustainability of our forest resource.

We have seen increasing amounts of our South Carolina hardwood resource going to Georgia mills and likely to Fram Renewable Fuels, ultimately. It is important that all wood processed by primary forest product mills is tracked back to the state and county of origin through the TPO program. TPO surveys are completed every other year. The next TPO survey will begin in January 2016 for the calendar year 2015 mill output. Please stress to your mill suppliers the importance of complying fully with TPO surveys in reporting accurately the volume and source of wood processed.

Thank you for requesting this input.

--Tim Adams

Resource Development Division Director

South Carolina Forestry Commission

**Response 1:**

**To Tim Adams, South Carolina Forestry Commission, Sept 16, 2015**

Hi Tim,

Thank you for your response to our Stakeholder Input. It's good to hear from you. I agree that the TPO reporting is important to our industry and I've certainly used my share of those reports in my career (and filled them out as well!). I'll be glad to stress the importance of completing these report to our mill suppliers.

Best regards,

Elizabeth

**Comment 2:**

**From Herb Nicholson, South Carolina Forestry Commission, Sept 16, 2015**

Ms. Van Tilborg

Tim Adams asked me to review the SBP certification standards and provide you with any comments that I saw necessary. I found only one standard that I had question with.

This is under the Feedstock Compliance Standard 2.1.3 dealing with fiber sourcing from forests converted to production plantation forests after 2008. The guidance suggests these are forests of exotic species citing examples of poplar, acacia, and eucalyptus. In the southeastern U.S., poplar is not an exotic species. It would not be a far stretch to include loblolly pine in this list if poplar is already included. I understand the intention of the standard, but as it is written, it is ambiguous and leaves room for varied interpretation.

Thanks,

Herb Nicholson

Environmental Program Manager

SC Forestry Commission

PO Box 21707

Columbia, SC 29221

**Response 2:**

**To Herb Nicholson, South Carolina Forestry Commission, Sept 16, 2015**

Thank you for your comment...I'll pass it on to Simon Armstrong with SBP. Part of the issue is that SBP is that is a "one-size-fits-all" and tries to encompass a lot of different forest management regimes globally.

Regards,

Elizabeth

**Comment 3:**

**From Dr. Dale Greene, Dean Warnell School of Forestry, University of Georgia,**

December 8, 2015

Elizabeth van Tilborg

FRAM Renewable Fuels LLC

P.O. Box 1810

Hazlehurst, GA 31539

Dear Elizabeth,

I understand you are pursuing certification under the Sustainable Biomass Partnership (SBP) Standards. As Dean of the Warnell School of Forestry and Natural Resources at the University of Georgia, I am pleased to lend my support to your application for this certification.

FRAM Renewable Fuels LLC has been a sustainable forestry leader for years. We have appreciated your participation and leadership in the Georgia forestry community on numerous issues. You've also hosted our students and faculty for tours through your landholdings and manufacturing facilities over the years. In short, you're a great corporate citizen and a leader in practicing sustainable forest management.

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

We deeply appreciate having FRAM Renewable Fuels as an industry partner in the state and applaud you for your approach to doing business and for being a partner every day in making sustainable forestry happen.

Sincerely,

W. Dale Greene Dean



**Response 3:**

**To Dale Greene, December 8, 2015**

Thank you!

E

**Comment 4:**

**From Risher Willard, Georgia Forestry Commission**

December 8, 2015

Elizabeth van Tilborg  
Sustainability/Certification Manager  
FRAM Renewable Fuels L.L.C.  
P.O. Box 1810  
Hazlehurst, GA 31539

Dear Elizabeth,

On behalf of State Forester Robert Farris, I would like to thank you for your December 7, 2015, inquiry requesting a letter of support for Georgia's pellet industry, particularly for FRAM's pending certification in the Sustainable Biomass Partnership (SBP).

I do have some important information about forestry in Georgia that may be useful to you in your certification process.

Georgia's forests are being sustainably managed to meet the numerous needs of our state today – annual growth exceeds removals by 48%. In addition, Georgia's forest area has remained stable over the past fifty-years at about 24 million acres – the largest commercial forest in the U.S.

Georgia's forest industry provides \$28.9 billion in total economic activity and provides jobs for 135,732 workers. The wood pellet industry in Georgia is an important contributor to the economy of our state. Georgia's wood pellet mill portfolio has grown from zero mills in 2007 to ten mills in 2015. The wood pellet industry provides new markets for small diameter trees and helps "keep working forests in forests".

Feedstock's for wood pellet mills are plentiful in Georgia. In addition to the state's 1.02 billion green tons of standing forest inventory, nearly 350 million cubic feet of wood and bark by-products are produced annually at Georgia's primary forestry mills. Furthermore, over 4.7 million dry tons of timber harvest residues are produced annually in the state.

These are just a few of the positive attributes that Georgia's forests provide to our citizens and our forest industry – including the wood pellet industry.

I trust that this information will be useful to you and please let me know if you require any further information.

Sincerely,

*Risher A. Willard*

Risher A. Willard

Forest Marketing & Utilization Chief

**Response 4:**

**To Risher Willard, December 8, 2015**

Thanks Risher!

E

**Comment 5:**

**From Mitch Reid, Alabama Rivers Association, March 17, 2016**

Mrs. van Tilborg,

Thank you for following up with us on this issue. I will look over this and let you know if I have any further questions.

Sincerely,

Mitch Reid

**Response 5:**

**To Mitch Reid, March, 15, 2016**

Mr. Reid,

Below is a copy of the email I sent to you July 30th, 2015 to this address: [mreid@alabamarivers.org](mailto:mreid@alabamarivers.org). I've noted your alternate address in my address list.

You can see in the attached pdf file that you were included in an address list with other stakeholders. Your email did not kick back so I assume you received it.

In any event, thank you for your response that your comment would be the same as for Lee Energy. Please note that we do not source roundwood directly from the forest in Alabama. We use secondary mill residues which are mostly a by-product from sawmills.

We strongly support forestry best management practices and require our residue suppliers to use trained loggers in the forest harvest.

If you have any further concerns, please contact me directly.

***Elizabeth van Tilborg***

## 7 Overview of Initial Assessment of Risk

*Briefly describe the results of the Risk Assessment. This represents the initial evaluation of risk done prior to the SVP and prior to any mitigation measures.*

The FRAM Renewable Fuels' Controlled Wood Risk Assessment evaluates and addresses the risk of violating the 5 FSC Categories in the 6-state supply region (Alabama, Georgia, South Carolina, North Carolina, Tennessee and the northern half of Florida) that makes up Fram Renewable Fuels' sourcing area.

### 1. Category 1 – Illegally Harvested Wood

- a. CONCLUSION: The US has a national risk assessment process which found “low risk” for FSC Category 1. This is supported by detailed supplemental information in the Fram Renewable Fuels' RA, including evaluation of the FSC websites. Therefore it has been determined that there is a “low risk” that any wood or fiber sourced into Fram Renewable Fuels L.L.C.'s facilities is illegally harvested.

### 2. Category 2 – Traditional and Civil Rights

- a. CONCLUSION: 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. Based upon the risk assessment and evaluation of available information, there is a “Low/Negligible risk” that any wood that is sourced into Fram Renewable Fuels L.L.C.'s facilities is in violation of traditional and civil rights.

### 3. Category 3 – High Conservation Value Forest

- a. CONCLUSION: Based upon the evaluation of the Eco-regions that are within the wood and fiber supply area of the manufacturing facilities, Fram Renewable Fuels L.L.C. has concluded that there is “low risk” that forest management activities associated with supplying wood and fiber to its facilities threaten eco-regionally significant high conservation values. Where any threats may occur, there are strong regulatory and private sector systems for the protection of such areas. While some eco-regions may contain High Conservation Values as interpreted by some, they are unlikely to be threatened by forest management activities and protected areas ensure their long-term survival. This finding is consistent with the requirements for “company risk assessments” in Annex A of FSC-STD-40-004, V3-1 FSC Controlled Wood.

4. Category 4 – Conversion

- a. CONCLUSION: Based upon the analysis of all available information and the evaluation of the Eco-regions from which its wood and fiber originates, there is no net loss (>0.5% per year) of natural forests and no significant loss of other natural wooded ecosystems in the ecoregions of the Fram Renewable Fuels' supply area. In addition, there is a positive growth-drain ratio overall based on USFS FIA reports. Fram Renewable Fuels L.L.C. has determined that there is "low risk" that the organization's wood procurement contributes to a significant rate of loss of "natural forests and other natural wooded ecosystems."

5. Category 5 – GMO Trees

- a. CONCLUSION: Based on an analysis of available information, there are no genetically modified trees planted in the United States (Fram Renewable Fuels L.L.C.'s district of origin). Further, the US has a national risk assessment process which found "low risk" for FSC Category 5. Therefore, Fram Renewable Fuels L.L.C. has concluded that there is "no risk" that the wood sourced into Fram Renewable Fuels L.L.C.'s facilities comes from forests where genetically modified trees have been planted.

*This section provides an opportunity to detail how the BP's management system is effective in reducing risk.*

FRAM Renewable Fuels L.L.C. Standard Operating Procedures (SOPs) addressing sustainability and legality are already in place and have been functioning under the FSC Chain of Custody and Controlled Wood program for five years. Fram has received no complaints regarding feedstock sourcing or production of pellets.

List the result for each Indicator in Table 1.

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

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

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

## 8 Supplier Verification Programme

### 8.1 Description of the Supplier Verification Programme

The results of the Supply Base Evaluation and Risk Assessment addressing the requirements in Standard #1 were all Low Risk due to existing Mitigation Measures, such as Supply Agreements including contract provisions that have been incorporated to address unspecified risk of sourcing from the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida

### 8.2 Site visits

FRAM Renewable Fuels L.L.C. is in regular contact with its suppliers and conducts periodic inspections and monitoring of documents and records as part of its FSC/PEFC Controlled Wood Procedures. All inputs are confirmed from known Districts of Origin and are considered “controlled material.”

### 8.3 Conclusions from the Supplier Verification Programme

All current evidence leads to a conclusion that there is a Low Risk of sourcing from forest areas that are considered High Conservation Value. However, the recent Draft FSC US National Risk Assessment (NRA) includes additional Critical Biodiversity Areas that may be at risk from forestry operations. The only Critical Biodiversity Area within the Supply Base is the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida.

(<http://foreststewardshipcouncil.s3.amazonaws.com/index.html>)

The FSC US NRA suggests that Aquatic Habitats and their associated biodiversity are potentially threatened by sedimentation from roads. Suggested Mitigation or Control Measures for Aquatic Habitats include implementing BMPs during forestry activities.

The Mitigation Measures proposed by FSC US include Policies to avoid potential impacts associated with harvesting and roads. Such policies have been inserted into FRAM Renewable Fuels L.L.C.'s Sustainable Biomass Policy and have been implemented as part of the FSC/PEFC Controlled Wood Risk Assessment and Procedures. Similar provisions are also included in Supply Agreements as extra measures of precaution. Supplier compliance is assessed via monitoring of FRAM Renewable Fuels L.L.C.'s suppliers, state agency inspections, stakeholder feedback, and state agency inspections or reports where relevant and available.

The Mitigation Measures adopted by FRAM Renewable Fuels L.L.C. are contained in the Supply Agreement contained in FRF-SBP-DP-08.

To date, no stakeholders have documented any scientifically supported concerns regarding the Critical Biodiversity Areas identified in the FSC US NRA. And overall, the southern region BMP implementation average increased from 87% in 2008 to 92% in 2012, thus mitigating potential impacts to Aquatic resources and habitats. The combined Mitigation Measures are sufficient to move the Unspecified Risk to Low Risk.

## 9 Mitigation Measures

### 9.1 Mitigation measures

FRAM Renewable Fuels L.L.C. Standard Operating Procedures (SOPs) addressing sustainability and legality are already in place and have been functioning under the FSC Chain of Custody and Controlled Wood program for five years.

FRAM Renewable Fuels L.L.C. implements mitigation measures above and beyond what is required under FSC/PEFC requirements.

Similar provisions are also included in the Supply Agreements as extra measures of precaution. Supplier compliance shall be assessed via monitoring of FRAM Renewable Fuels L.L.C.'s suppliers, state agency inspections, stakeholder feedback, and state agency inspections or reports where relevant and available.

The Mitigation Measures adopted by FRAM Renewable Fuels L.L.C. are contained in the Supply Agreement contained in FRF-SBP-DP-08. These mitigation measures include:

1. Identifying all the wood suppliers and their incoming material as coming from either “Certified” or FSC/PEFC “Controlled” sources. The Company has notified all of its suppliers that it will not accept uncontrolled sources of wood. It has incorporated the controlled wood restrictions in its Contracts/Supply Agreements/Self-declarations as formal agreements with suppliers.
2. The use of trained loggers for all types of feedstock
3. Adherence to forestry BMPs for all types of feedstock
4. Periodic internal audits of suppliers’ district of origin on primary, secondary and tertiary feedstock
5. Tract inspections of logging jobs for roundwood into the Hazlehurst Wood Pellets facility
6. BMP compliance inspections of active logging jobs for roundwood in the Hazlehurst Wood Pellets facility
7. Distribution of FSC HCV areas map to all Fram suppliers
8. Acknowledgement by Suppliers that wood fiber is not obtained from land with high biodiversity value, high carbon stock or peat land
9. Roundwood Suppliers have been encouraged to adopt BMPs for Biomass Harvesting

### 9.2 Monitoring and outcomes

FRAM Renewable Fuels L.L.C. periodically and annually monitors its suppliers to confirm compliance with contract provisions and policies as part of the annual internal audit and management review. The FSC Controlled Wood Standards requires periodic monitoring The SBE will be updated and the issues of potential risk to High Conservation Values will be reassessed at that time.

## 10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

## 11 Review of Report

### 11.1 Peer review

The SBP Standards Program at FRAM Renewable Fuels L.L.C. has involved the development of detailed Documents and Procedures to address all relevant requirements. An outside consultant with expertise in forest certification standards was retained to help develop the procedures and conduct the Supply Base Evaluation.

A Readiness Review was conducted with the accredited Certification Body (NSF-ISR). Seventy-five (75) letters and notices were sent to potential stakeholders. The accredited Certification Body has assigned auditors to conduct an independent audit of the SBP Program. The Certification Body is also required to conduct an independent consultation with potential stakeholders. Additionally, the Certification Body's assessment is subject to independent third-party review.

Independent auditors conduct annual surveillance audits of the FRAM Renewable Fuels L.L.C. FSC/PEFC certification programs. SBP procedures call for a Technical Review Panel to review the audit findings.

FRAM Renewable Fuels L.L.C. believes that sufficient independent reviews of its Programs and Procedures has taken place and that an additional Peer Review is not warranted or required.

### 11.2 Public or additional reviews

See the summary response to Section 11.1 above.

## 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>R. Scott Berg</i>	President, R.S. Berg & Associates, Inc.	<b>1 Apr 2016</b>
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	<i>Harold Arnold</i>	President FRAM Renewable Fuels L.L.C.	<b>30 Mar 2016</b>
	Name	Title	Date
Report approved by:	<i>Elizabeth van Tilborg</i>	Sustainability/Certification Manager FRAM Renewable Fuels L.L.C.	<b>30 Mar 2016</b>
Report approved by:	<i>Harold L. Arnold</i>	President FRAM Renewable Fuels L.L.C.	<b>14 Feb 2017</b>
Report approved by:	<i>Elizabeth van Tilborg</i>	Sustainability/Certification Manager FRAM Renewable Fuels L.L.C.	<b>14 Feb 2017</b>
Report approved by:	<i>Harold L. Arnold</i>	President FRAM Renewable Fuels L.L.C.	<b>14 Feb 2018</b>
Report approved by:	<i>Elizabeth van Tilborg</i>	Sustainability/Certification Manager FRAM Renewable Fuels L.L.C.	<b>12 Feb 2018</b>

## 13 Updates

FRAM Renewable Fuels L.L.C. intends to update the SBP Program on an annual basis and conduct annual audits and management reviews. These will be conducted prior to normally schedule surveillance audits of the SBP, FSC and PEFC Programs.

### 13.1 Significant changes in the Supply Base

There have been no changes in the Supply Base

### 13.2 Effectiveness of previous mitigation measures

FRAM Renewable Fuels L.L.C. Standard Operating Procedures (SOPs) addressing sustainability and legality are already in place and have been functioning under the FSC Chain of Custody and Controlled Wood program for five years. Fram has received no complaints regarding feedstock sourcing or production of pellets.

FRAM Renewable Fuels L.L.C. is proactively implementing Mitigation Measures proposed in the Draft FSC US National Risk Assessment to include Policies and Control Measures to avoid potential impacts associated with harvesting and roads. Such policies have been inserted into FRAM Renewable Fuels L.L.C.'s Sustainable Biomass Policy and conveyed to suppliers.

Monthly BMP checks done on active logging tracts for roundwood that are sourced to Hazlehurst Wood Pellets (HWP) show 100% compliance with BMPs. These checks are completed by the Beasley Timber Management Procurement Forester for HWP. Only trained loggers are used for timber harvest and Master Timber Harvester numbers are recorded for each tract.

Recent state Silvicultural Best Management Practices Implementation and Compliance Surveys done in 2016 and 2017 show a continued high rate of compliance with BMPs for water quality. In Georgia, the overall 2017 BMP compliance is 93%, Alabama and SC were 97% on harvesting BMPs in 2016 and Florida was 99% in 2015.

Certified forestland remained stable in Fram's 6-state Supply Basin. SFI and ATFS continue to be the two US forestland certification programs in the Southeast accounting for 92% of all US forest certification acres. Strong and vibrant markets encourage landowners to remain invested in forest management and production.

Fram Renewable Fuels continues to maintain FSC/PEFC Controlled Wood/Controlled Sources certification and this serves as evidence of "Low Risk" in Fram's sourcing area regarding violations of sustainability or legality.

Fram's Supplier Contract identifies the requirements necessary to deliver fiber to Fram facilities and is in use by 100% of Fram's Suppliers. The Supplier Contract is followed up with annual correspondence from the Procurement Manager restating Fram's commitment to sustainability. In addition, suppliers are provided with a map of HCV areas as identified in the FSC Draft National Risk Assessment. Fram has ceased to do business with Suppliers that are unwilling to agree to the Contract requirements.

The annual sampling of suppliers' District of Origin, to make sure that the Supplier is sourcing from our 6-state Risk Assessment area, shows that all feedstock is being sourced in Fram's 6-state Supply Basin. These inspections are completed by the Fram Wood Procurement Manager (mill residuals) and the Hazlehurst Procurement Forester (roundwood). The results of the audits completed for both mill residuals and roundwood show 100% compliance to sourcing within the Risk Assessment area.

Fram's commitment to identifying the District of Origin of tertiary feedstock material has resulted in the loss of several potential new suppliers.

### 13.3 New risk ratings and mitigation measures

There have been no changes to the Risk Ratings

### 13.4 Actual figures for feedstock over the previous 12 months (Jan 1, 2017 to Dec 31, 2017)

**Appling County Pellets** - 200,000 to 400,000 metric tons per year\*

Secondary mill residuals – 80-100% sawdust, 0-19% chips

Tertiary mill residuals – 0-19% sawdust

**Telfair Forest Products** - 0 to 200,000 metric tons per year \*

Secondary mill residuals – 40-59% shavings, 20-39% sawdust, 0-19% chips

Tertiary mill residuals – 0-19% shavings, 0-19% sawdust

**Hazlehurst Wood Pellets** - 200,000 to 400,000 metric tons per year \*

Primary feedstock – 80-100% roundwood

Secondary mill residuals - 0-19% sawdust, 0-19% chips

## 13.5 Projected figures for feedstock over the next 12 months

**Appling County Pellets** - 200,000 to 400,000 metric tons per year\*

Secondary mill residuals – 80-100% sawdust, 0-19% chips

Tertiary mill residuals – 0-19% sawdust

**Telfair Forest Products** - 0 to 200,000 metric tons per year \*

Secondary mill residuals – 40-59% shavings, 20-39% sawdust, 0-19% chips

Tertiary mill residuals – 0-19% shavings, 0-19% sawdust

**Hazlehurst Wood Pellets** - 200,000 to 400,000 metric tons per year \*

Primary feedstock – 80-100% roundwood

Secondary mill residuals - 0-19% sawdust, 0-19% chips