



DRAFT Supply Base Report: Peak Renewables

For Initial Public Consultation

December 8, 2023

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1 Overview

Producer name:	Peak Renewables
Producer address:	518 Renewable Dr. Dothan, AL 36301
SBP Certificate Code:	To Be Determined
Geographic position:	31.17987,-85.39241
Primary contact:	James Potts, Plant Manager
Company website:	https://peakrenewables.ca/
Date report finalised:	To Be Determined
Close of last CB audit:	N/A
Name of CB:	Preferred by Nature
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
Weblink to Standard(s) used:	SBP Standards v2.0 - Sustainable Biomass Program (sbp-cert.org)

2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary, Tertiary

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: Southeast (Alabama, Florida, Georgia,)

Exclusions: No

Peak Renewables is a single-site wood pellet facility located in Dotha, Alabama, United States. The inputs for the pellet mill in Dothan, Alabama are procured exclusively as byproducts or waste products generated through the milling of wood sourced from forests in Alabama, Georgia and Florida. Because the primary source is residual wood fiber, Peak Renewables is two or even three links into the supply chain and away from the forest source. Peak Renewables does not own forest land, does not directly contract with loggers to harvest and deliver roundwood and, thus, works through contractual relationships in the supply chain removed from the forests of origin. The sourcing region is predominately owned by many thousands of independent, private family forest owners. Peak Renewables does not have direct responsibility or control over forest management and harvesting activities that occur on these lands which are protected by private property rights. As a result, Peak Renewables is limited in the ability to influence harvesting activities. Peak Renewables will source primarily wood shavings (<15% moisture) from a single supplier with facilities located in Troy, Alabama; Graceville, Florida; and, Bristol, Florida.

This operation is situated in the regulatory and social context of the US, which maintains a strong system of governance, control of corruption and solid baseline “rule of law” social system. Similarly, the US also maintains a wide suite of regulations and voluntary programs, including best management practices (BMPs), environmental protections, human and traditional rights, worker health and safety, along with others. As such, these frameworks, working together, provide a complementary and supportive environment for demonstration of SBP-compliant feedstock.

The use of sawmill residuals provides 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 land and well managed.

All fiber material is sourced via PEFC Chain of Custody and Controlled Sourcing Standards and are, thus, considered “controlled materials.” The company has notified all 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. The company also conducts periodic

internal audits of the suppliers' documentation to verify the source area of the wood and fiber. These measures will ensure that uncontrolled wood sources are not allowed entry into the manufacturing facilities and would not be mixed with other certified and controlled material.

2.3 Actions taken to promote certification amongst feedstock supplier

Peak Renewables sources all softwood fiber from indirect suppliers and leverages PEFC Chain of Custody and Controlled Sourcing to enable credibility in supply tracking which enables assurance of low risk sourcing amongst feedstock suppliers.

Formal correspondence is sent to the suppliers with a Wood Purchase Agreement specifying conditions and requirements to ensure compliance with all applicable laws and regulations, implementation of water quality BMPs and the use of trained loggers.

Peak Renewables intends to become a member of the Alabama Forestry Association or donor to the Alabama Forestry Foundation. The organization promotes forest certification and provide 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. Further, the Alabama Forestry Association/Foundation is an implementing partner of the American Tree Farm System (ATFS), which engages family landowners in Peak Renewables' supply basin in PEFC-endorsed forest certification programming.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 26.05
- b. **Tenure by type (million ha):** 21.73 (Privately owned), 4.31 (Public)
- c. **Forest by type (million ha):** 26.05 (Temperate)
- d. **Forest by management type (million ha):** To be confirmed
- e. **Certified forest by scheme (million ha):** 0.56 (FSC), 3.06 (SFI), 2.02 (Other)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: All Peak Renewables' fiber inputs are procured exclusively as byproducts or waste products generated through the milling of wood sourced from forests in Alabama, Georgia and Florida. Thus, Peak is not involved with harvesting directly. Peak Renewables does not own forest land and is not directly engaged in the harvesting or forest management activities. Similarly, Peak does not have responsibility for direct wood procurement. Peak Renewables exerts influence through policies, supply contracts and periodic monitoring of suppliers. All softwood fiber is supplied to the pellet mill by primary sawmills. Thus, Peak Renewables 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 (who collectively own the majority of the land base in the supply area), in the context of U.S. Federal and State laws, regulations and State administered BMPs. Together, these measures provide for a very high level of management and

overall strong performance in the sourcing region and wider US South. Different silvicultural techniques are used, based on stand conditions and landowner objectives.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes – Majority

Explanation: The primary market in this supply area is for sawtimber made from pine roundwood. Therefore, this area consists of several competing sawmills, pulpmills, pole mills, and panels mills. The average rotation for pine is about 25 to 30 years and may consist of one or two thinnings before a final harvest. These competing markets drive the demand for roundwood in the region to ensure its value is prioritized and used for the best value.

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: BMPs in these states include green up provisions. Reforestation is aligned with landowner objectives, per the USFS NWOS. Many private industrial landowners, such as REITs and TIMOS, implement reforest activities as a standard practice. Additionally, a forest stand will likely start to naturally regenerate with a mix of pine and hardwoods within 5 years of felling.

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: Hurricanes have impacted this coastal plain and piedmont region, along with ongoing pest and invasive species outbreaks. As such, salvage and control management measures are an important form of forest management in the region.

Feedstock

Reporting period from: To be confirmed

Reporting period to: To be confirmed

- a. **Total volume of Feedstock:** ~140,000 tonnes
- b. **Volume of primary feedstock:** 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

I. 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: ~120,000 tonnes

- Physical form of the feedstock: Chips, Sawdust, Shavings

n. Volume of tertiary feedstock: 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 (SBE) is required for Peak Renewables' feedstock. There is not currently an SBP-approved Regional Risk Assessment (RRA) for the Southeast US, a critical supply basin for pellets globally. Thus, Peak Renewables' has developed a Supply Based Evaluation (SBE) and Risk Assessment (RA), consistent with the requirements of a constellation of SBP standards and related guidance. While some of Peak Renewables' feedstock is certified or originates in an SBP approved Forest Management scheme, no content is reported and, thus, is not tracked. However, all feedstocks are PEFC controlled sources.

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: 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 area with high conservation value in the Supply Base are identified and mapped.

Specific risk description:

There is not currently an SBP approved regional risk assessment for the Southeast US that can be used to verify existence of high conservation values in the Supply Base. However, the SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC US NRA as a basis for their risk assessments. A review of the FSC US NRA concluded that high conservation values could be impacted by forest management activities in select areas of the supply base.

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:

The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments. Peak Renewables will use the FSC NRA to determine mitigation efforts that are effective for addressing potential threats to forests and other areas with high conservation values from forest management activities.

The FSC US National Risk Assessment was evaluated for Peak Renewables's Subbly Base and identified four High Conservation Values (HCV's) were identified.

- Native longleaf pine systems
- Late successional bottomland hardwoods
- Florida Panhandle CBA
- South Appalachians CBA

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:

The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments.

The FSC NRA was evaluated with Peak Renewables' Supply Base and no counties were designated as having a specified risk for conversion (HCV Category 4) Therefore, the risk designation for this category is low.

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:

The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments. Peak Renewables will use the FSC NRA to determine mitigation efforts that are effective in ensuring ecosystems and habitats are conserved or set aside in their natural state.

The FSC US National Risk Assessment was evaluated for Peak Renewables's Subbly Base and identified four High Conservation Values (HCV's) were identified.

- Native longleaf pine systems
- Late successional bottomland hardwoods
- Florida Panhandle CBA
- South Appalachians CBA

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:

The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments. Peak Renewables will use the FSC NRA to determine mitigation efforts that are effective in ensuring that biodiversity is protected.

The FSC US National Risk Assessment was evaluated for Peak Renewables's Subbly Base and identified four High Conservation Values (HCV's) were identified.

- Native longleaf pine systems
- Late successional bottomland hardwoods
- Florida Panhandle CBA

- South Appalachians CBA

4.2 Justification

The purpose of the Supply Base Evaluation and Risk Assessment are to document the systems and procedures that are in place to evaluate and assess the risk of sourcing illegal and unsustainable wood fiber, according to the SBP framework, into the Peak Renewables pellet manufacturing facility in Dothan, Alabama. This comprehensive assessment of the supply base against the Principles, Criteria and Indicators of the SBP Feedstock Compliance Standard # 1 (Version 1.0) allows a rating of "Specified Risk", "Unspecified Risk", or "Low Risk."

Although Peak Renewables does not maintain FSC certification, the company intends to use the FSC NRA as a tool for identifying specified risks and effective mitigation efforts for the supply area.

Peak Renewables will also use an array of publicly available resources as objective evidence including state forestry programs, forest inventory and analysis data/statistics, BMP monitoring results, and other available state-specific assessments related to ecosystem and biodiversity protection.

4.3 Results of risk assessment and Supplier Verification Programme

Peak Renewables' management system constitutes existing control or mitigation measures approved and certified by independent Certification Bodies to meet the rigorous requirements of the PEFC Standards to ensure legality and sustainability. 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. These measures are further reinforced by a robust legal framework. In addition, Peak Renewables is applying additional FSC identified mitigation measures for the specified risks in the form of financial support to critical NGOs implementing conservation initiatives and/or landowner/forester engagement to protect and enhance high conservation values and/or encourage forest land use.

Given the nature of its supply, the primary mitigation measures are the Supplier Contract along with strong environmental regulatory framework and high BMP compliance. All feedstock sourced by Peak Renewables is secondary feedstock and the Plant manager monitors the suppliers. The plant manager also implements a supplier verification for any new suppliers as a part of the due diligence and has strengthened the supplier checks over the last years.

The Low Risk findings of the Supply Base Evaluation & Risk Assessment are consistent with the findings of the PEFC Chain of Custody Due Diligence System (PEFC ST 2002:2020).

4.4 Conclusion

The Supply Base Evaluation & Risk Assessment concluded "Low Risk" for all SBP Indicators, based upon the Standard Operating Procedures (SOPs) of Peak Renewables' and applied mitigation measures. The Supply Base Evaluation drew on the strengths of the company's conformance to PEFC Chain of Custody and Due Diligence certification Standards.

The United States, as well as the states where Peak Renewables' operates, document high levels of BMP compliance and have strong legal and regulatory systems in place to ensure legality. Peak Renewables requires its suppliers to use trained loggers, requires compliance with laws and regulations, as well as State BMPs. All inputs are currently secondary sources and Peak Renewables 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 fiber inputs are supplied within the scope of the PEFC Due Diligence System approved by SBP. Thus, all residual 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 Contract Provisions already in place addressing the potential of sourcing fiber unacceptable sources.

By virtue of the Low Risk rating and Contract Provisions already being applied, all wood pellet outputs from Peak Renewables' pellet mill are considered "SBP-compliant Biomass."

5 Supply Base Evaluation process

The Plant Manager oversees and coordinates the SBE/RA to verify compliance of existing management systems, State level programs and forest practices against each of the SBP indicators, as identified in SBP Standard 1, Feedstock Compliance v1 (2015), utilizing Standard 2, Verification of SBP Compliant Feedstock v1 (2015).

Peak Renewables adopted of the FSC NRA as a primary resource to support identification of risk, as well as mitigation measures and monitoring. Peak Renewables 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 PEFC Standards. The verifiers contained in the SBE represent objective evidence of conformance that have been audited by an 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 PEFC and SBP Standards.

Peak Renewables forest products has not specified any sub scopes within the SBE on the basis of limited geographic scope, consistency of regulatory framework, ownership patterns, homogeneity in management practices, cultural norms and biophysical conditions (habitat types, geology and other factors) within the supply basin and given that 100% of feedstock is comprised of secondary and tertiary sourcing.

The SBE employs a risk based approach (RBA) using the following basic steps:

- a) Gathering information
- b) Assessment of risk
- c) Management of risk

Credible, recent and geographically relevant data were gathered about the defined supply basin (1.1.1), rather than individual forest units. Data analyzed included regulatory requirements, reports and data provided by local, state and federal governments, non-governmental organizations (NGOs) and consultation with experts and stakeholders. Determination of risk considered the likely impact of noncompliance, together with the probability of the noncompliance occurring.

The FSC US Controlled Wood National Risk Assessment (FSC NRA) V1.0, D3.0 as well as a range of other resources were utilized as the basis for the assessment of risk within the supply base evaluation. The FSC NRA was selected as core reference because of the robust multi stakeholder development process, general acceptance by stakeholders, the freshness of the resource and its prevailing use across the US forest products sector.

Consistent with requirements outlined in Standard 2, Chapter 11, low risk was designated in cases where there was negligible risk of noncompliance with an indicator. Unspecified risk may be used for indicators in which evidence is insufficient to categorize as low or specified risk. For indicators that cannot be specified as low risk or unspecified risk, specified risk is designated and corresponding mitigation measures are required. In the case of this assessment, all risks were categorized low or specified with application of required mitigation measures to reduce risk to low. For each risk rating a justification is provided, supported by adequate documentary evidence.

This SBE was undertaken on behalf of Peak Renewables by New March, LLC. The firm and individuals have the necessary knowledge and experience to evaluate against the SBP Feedstock Compliance Standard 1 in the local context of the US South. The competency of Sarah Crow was evaluated against the knowledge and competence requirements identified in section 12.1 of SBP Standard 1. Ms. Crow has extensive experience

and knowledge of a wide array of forest certification and biomass sustainability standards, including SBP and have many years of experience in the ecological, social, legal and operational conditions of the US Southeast, as well as appropriate and required management, stakeholder engagement and report production skills. Biographies for key personnel are available upon request.

6 Stakeholder consultation

A list of 36 stakeholders who may have an interest or be affected by certification of Peak Renewables' operations were identified. These stakeholders were identified with consideration to the following elements: geographic proximity to the supply base; expertise and knowledge of forestry and natural resources management; a cross-section of industry, university and state agencies; elected and appointed officials from the supply base are; interested and affected conservation, environmental and social organizations within the supply base area; federally recognized tribes (indigenous peoples) in the supply area; landowner groups. Correspondence to the identified stakeholders was sent inviting feedback prior to the completion of the SBE. Stakeholders were provided with reference to the SBP Standards, a brief description of the sustainability and legality requirements and the supply base area included in the SBE. The Stakeholder Consultation process is currently ongoing and input will be documented and appropriately responded to in the Summary of Stakeholder Input upon completion of the consultation process.

6.1 Response to stakeholder comments

Awaiting

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.
Specified risk description:	<p>There is not currently an SBP approved regional risk assessment for the Southeast US that can be used to verify existence of high conservation values in the Supply Base. However, the SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC US NRA as a basis for their risk assessments. A review of the FSC US NRA concluded that high conservation values may be impacted by forest management activities in select areas of the supply base.</p>
Mitigation measure:	<p>Peak Renewables evaluated the FSC US NRA to identify and map the high conservation values within the Supply Base. As each new residual supplier is evaluated, Peak Renewables's will determine if the new potential feedstock will originate from a forest with high conservation values and confirm that any risks identified have been included in the Supply Base Evaluation.</p> <p>A signed Supplier Self-Declaration is required for each supplier which outlines the provisions that must be met before delivering wood to the facility. These provisions include avoiding wood sourced from Controversial Sources as defined by PEFC and high conservation value forests.</p> <p>In addition, Peak Renewables utilizes its PEFC certification to accept "certified" material. The risk of "certified" material originating from a high conservation value forest is low.</p> <p>Regular supplier correspondence relaying information about HCVs and other relevant items in the supply area.</p> <p>Peak Renewables' reserves the right to visit and conduct internal audits of supplier mills. At which time a review of the supplier mill's procurement area and relevant HCV's may occur.</p> <p>These measures, working together, reduce the risk from specified to low.</p>

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: The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments. Peak Renewables will use the FSC NRA to determine mitigation efforts that are effective for addressing potential threats to forests and other areas with high conservation values from forest management activities.

The FSC US National Risk Assessment was evaluated for Peak Renewables's Subbly Base and identified four High Conservation Values (HCV's) were identified.

- Native longleaf pine systems (HCV 3)
- Late successional bottomland hardwoods (HCV 3)
- Florida Panhandle CBA (HCV 1)
- South Appalachians CBA (HCV 1)

Mitigation measure: Peak Renewables' standard operating procedures (SOP), certification to the PEFC standards, its FSC related mitigation activities, and the strong environmental laws and regulations in the supply area have mitigated the risk under 2.1.2.

Peak Renewables evaluated the FSC US NRA to identify and map the high conservation values within its Supply Base. Four high conservation values were identified:

- Native longleaf pine systems (HCV 3)
- Late successional bottomland hardwoods (HCV 3)
- Florida Panhandle CBA (HCV 1)
- South Appalachians CBA (HCV 1)

Although Peak Renewables does not hold FSC Certificaiton, the company intends to use the Control Measures defined in the FSC US NRA to mitigate the high conservation values in the Supply Base. The following control measures are implemented:

Native Longleaf Pine Systems: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to landowners.

Florida Panhandle CBA: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to landowners.

South Appalachians CBA: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to landowners.

Late Successional Bottomland Hardwoods: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to landowners.

In addition to the above mitigation measures and as each new residual supplier is evaluated, Peak Renewables’s will determine if the new potential feedstock will originate from a forest with high conservation values and confirm that any risks have been included in the Supply Base Evaluation.

A signed Supplier Self-Declaration is required for each supplier which outlines the provisions that must be met before delivering wood to the facility. These provisions include avoiding wood sourced from Controversial Sources as defined by PEFC and high conservation value forests.

Peak Renewables also utilizes its PEFC certification to accept “certified” material. The risk of “certified” material originating from a high conservation value forest is low.

Regular supplier correspondence relaying information about HCVs and other relevant items in the supply area.

These measures, working together, reduce the risk from specified to low.

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: The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments.

The FSC NRA was evaluated with Peak Renewables’ Supply Base and no counties were designated as having a specified risk for conversion (HCV Category 4) Therefore, the risk designation for this category is low.

Mitigation measure:

The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments.

The FSC NRA was evaluated with Peak Renewables' Supply Base and no counties were designated as having a specified risk for conversion (HCV Category 4) Therefore, the risk designation for this category is low.

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:

The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments. Peak Renewables will use the FSC NRA to determine mitigation efforts that are effective in ensuring ecosystems and habitats are conserved or set aside in their natural state.

The FSC US National Risk Assessment was evaluated for Peak Renewables's Subbly Base and identified four High Conservation Values (HCV's) were identified.

- Native longleaf pine systems (HCV 3)
- Late successional bottomland hardwoods (HCV 3)
- Florida Panhandle CBA (HCV 1)
- South Appalachians CBA (HCV 1)

Mitigation measure:

Peak Renewables' standard operating procedures (SOP), certification to the PEFC standards, its FSC related mitigation activities, and the strong environmental laws and regulations in the supply area have mitigated the risk under 2.1.2.

Peak Renewables evaluated the FSC US NRA to identify and map the high conservation values within its Supply Base. Four high conservation values were identified:

- Native longleaf pine systems (HCV 3)
- Late successional bottomland hardwoods (HCV 3)
- Florida Panhandle CBA (HCV 1)
- South Appalachians CBA (HCV 1)

Although Peak Renewables does not hold FSC Certification, the company intends to use the Control Measures defined in the FSC US NRA to mitigate the high conservation values in the Supply Base. The following control measures are implemented:

Native Longleaf Pine Systems: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.

Florida Panhandle CBA: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.

South Appalachians CBA: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.

Late Successional Bottomland Hardwoods: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.

In addition to the above mitigation measures and as each new residual supplier is evaluated, Peak Renewables will determine if the new potential feedstock will originate from a forest with high conservation values and confirm that any risks have been included in the Supply Base Evaluation.

A signed Supplier Self-Declaration is required for each supplier which outlines the provisions that must be met before delivering wood to the facility. These provisions include avoiding wood sourced from Controversial Sources as defined by PEFC and high conservation value forests.

Peak Renewables also utilizes its PEFC certification to accept “certified” material. The risk of “certified” material originating from a high conservation value forest is low.

Regular supplier correspondence relaying information about HCVs and other relevant items in the supply area.

These measures, working together, reduce the risk from specified to low.

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:	<p>The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments. Peak Renewables will use the FSC NRA to determine mitigation efforts that are effective in ensuring that biodiversity is protected.</p> <p>The FSC US National Risk Assessment was evaluated for Peak Renewables's Subby Base and identified four High Conservation Values (HCV's) were identified.</p> <ul style="list-style-type: none"> • Native longleaf pine systems (HCV 3) • Late successional bottomland hardwoods (HCV 3) • Florida Panhandle CBA (HCV 1) • South Appalachians CBA (HCV 1)
Mitigation measure:	<p>Peak Renewables' standard operating procedures (SOP), certification to the PEFC standards, its FSC related mitigation activities, and the strong environmental laws and regulations in the supply area have mitigated the risk under 2.1.2.</p> <p>Peak Renewables evaluated the FSC US NRA to identify and map the high conservation values within its Supply Base. Four high conservation values were identified:</p> <ul style="list-style-type: none"> • Native longleaf pine systems (HCV 3) • Late successional bottomland hardwoods (HCV 3) • Florida Panhandle CBA (HCV 1) • South Appalachians CBA (HCV 1) <p>Although Peak Renewables does not hold FSC Certification, the company intends to use the Control Measures defined in the FSC US NRA to mitigate the high conservation values in the Supply Base. The following control measures are implemented:</p> <p><u>Native Longleaf Pine Systems:</u> CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p>

Florida Panhandle CBA: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.

South Appalachians CBA: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.

Late Successional Bottomland Hardwoods: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.

In addition to the above mitigation measures and as each new residual supplier is evaluated, Peak Renewables's will determine if the new potential feedstock will originate from a forest with high conservation values and confirm that any risks have been included in the Supply Base Evaluation.

A signed Supplier Self-Declaration is required for each supplier which outlines the provisions that must be met before delivering wood to the facility. These provisions include avoiding wood sourced from Controversial Sources as defined by PEFC and high conservation value forests.

Peak Renewables also utilizes its PEFC certification to accept "certified" material. The risk of "certified" material originating from a high conservation value forest is low.

Regular supplier correspondence relaying information about HCVs and other relevant items in the supply area.

These measures, working together, reduce the risk from specified to low.

7.2 Monitoring and outcomes

Peak Renewables monitors its residual sawmill suppliers to confirm compliance with contract provisions and policies as part of the annual internal audit and management review. The PEFC Standards require periodic monitoring the supply base and suppliers.

SBP Guidance Document notes that "the means of implementation therefore determines where verification and monitoring must occur." The FSC NRA serves a primary source for the Peak Renewables risk assessment and is national and regional in scale, observing trends across ecoregions. In the case of HCVs and forest conversion for which risk is specified in the SBE, the mitigation measures approved by FSC and mobilized here, are designed to directly address the risk on the landscape, thereby gradually affecting the resources itself overtime. For example, HCVs, such as the Native Longleaf Pine Systems across their range, will, thus, be monitored in terms of the HCV extent and quality over time. Change in these biophysical systems is gradual and change detection, via monitoring, is often limited in terms of time lags

and ability to capture important qualitative changes in complex and dynamic forest systems. Nonetheless, these are the best measures available and key to informing conservation status and actions.

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

Not applicable.

9.2 Public or additional reviews

Not applicable.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:			
	Name	Title	Date
<p>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.</p>			
Report approved by:			
	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	<p>Peak Renewables operates a single site pellet mill in Dothan, Alabama. All wood and fiber sourced to the mill originates from forests Alabama, northern Florida, and Georgia.</p> <p>The Supply Base is also defined as part of demonstrating conformance to the following Fores Sustainability Standards:</p> <ul style="list-style-type: none"> - PEFC Chain of Custody/Due Diligence System (2002:2020) <p>Thus, the risk of materials entering Peak’s supply from unknown regions is low.</p>
Means of Verification	<ul style="list-style-type: none"> - PEFC Chain of Custody Procedure (XXX) – In Development - PEFC Due Diligence Procedure (XXX) – In Development - Maps of supply area - Supplier visits and interviews
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	Not Applicable

	Indicator
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1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	<p>Peak Renewables' pellet manufacturing facility maintains formal Supply Agreement/Contracts with its suppliers (XXX) that requires clear title and legal ownership of all wood fiber inputs.</p> <p>Peak Renewables 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 mill using Delivery Tickets or an equivalent paper trail. These documents and records provide objective evidence of the suppliers' supply base.</p> <p>PEFC Chain of Custody and Due Diligence requirements address the need to define the "Districts of Origin/Material Categories" and conduct periodic monitoring of the supply base. Peak Renewables' pellet facility is PEFC Chain of Custody and DDS certified. (In Development)</p> <p>Secondary and tertiary feedstock can be traced to the sawmill from which the residuals originated.</p> <p>Thus, risk associated with this indicator is low.</p>
Means of Verification	<ul style="list-style-type: none"> - PEFC Chain of Custody Procedure (XXX) – In Development - PEFC Due Diligence System Risk Assessment (XXX) – In Development - Approved Supplier List (XXX) for records of supplier names, PEFC certificate numbers, and the supplied "material categories." – In Development
Evidence Reviewed	<ul style="list-style-type: none"> - PEFC Chain of Custody Procedure (XXX) – In Development - PEFC Due Diligence System Risk Assessment (XXX) – In Development - Approved Supplier List (XXX) for records of supplier names, PEFC certificate numbers, and the supplied "material categories." – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	<p>All feedstocks (100%) are defined as mill residual inputs supplied in accordance with the PEFC Chain of Custody and Due Diligence Standards. The mix of feedstock inputs are described as "Categories of Origin" in the CoC Procedures.</p> <p>Material categories are also identified for purposes of Chain of Custody tracking in the Product Group Lists (XXX). Peak Renewables' feedstock is 100% softwood; Pinus tree species for supplies are documented.</p> <p>All inputs are supplied with as PEFC "controlled material" indicating that they are Low Risk of originating from uncontrolled or controversial sources.</p>
Means of Verification	<ul style="list-style-type: none"> - Chain of Custody Procedures (XXX) – In Development - Tree Species List (XXX) – In Development - PEFC Chain of Custody/Due Diligence System (XXX) – In Development - PEFC Chain of Custody Procedure (XXX) – In Development - PEFC Due Diligence Procedure (XXX) – In Development
Evidence Reviewed	<ul style="list-style-type: none"> - Chain of Custody Procedures (XXX) – In Development - Tree Species List (XXX) – In Development - PEFC Chain of Custody/Due Diligence System (XXX) – In Development - PEFC Chain of Custody Procedure (XXX) – In Development - PEFC Due Diligence Procedure (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>Peak Renewables requires contracts, Delivery Tickets and other documentation verifying legal ownership of incoming wood material from its mill residual suppliers.</p> <p>Peak Renewables implements a PEFC Due Diligence Procedure for all of its Supply Areas/Districts of Origin (XXX) and all inputs are considered PEFC non-controversial and SBP Controlled Feedstock.</p> <p>The World Bank’s Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83% control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p> <p>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.”</p> <p>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.</p> <p>Together, this evidence demonstrates low risk for illegality.</p>
Means of Verification	Risk Assessment of supply area, supplier contracts, delivery tickets/scale tickets
Evidence Reviewed	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - PEFC Due Diligence System (XXX) – In Development - World Bank’s Worldwide Governance Indicators (WGI) <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>The Forest Stewardship Council (FSC) conducted an extensive National Risk Assessment (NRA) that included comprehensive evaluation of risk that illegally harvested wood entering FSC controlled wood supply chains within the conterminous United States. This assessment found risk illegality low, generally. Specifically, section 1.1 addresses land tenure rights and the role of the courts in adequately settle disputes of this nature. Further, as noted above, the World Bank’s Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83% control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p> <p>In addition, Peak Renewables requires contracts, Delivery Tickets and other documentation verifying legal ownership of incoming wood material from its mill residual suppliers.</p> <p>Peak Renewables implements a PEFC Due Diligence Procedure for all of its Supply Areas/Districts of Origin (XXX) and all inputs are considered PEFC non-controversial and SBP Controlled Feedstock</p> <p>Together, these data support low risk designation.</p>
Means of Verification	<ul style="list-style-type: none"> - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) - World Bank’s Worldwide Governance Indicators (WGI) <p>http://info.worldbank.org/governance/wgi/Home/Reports</p> <ul style="list-style-type: none"> - Delivery/scale ticket <p>Alabama Timber Theft hotline http://www.forestry.alabama.gov/Pages/Fire/Wildfire_Arson_Theft.aspx</p> <p>Georgia Timber Theft</p>

	http://sfi-georgia.org/wp-content/uploads/2008/11/SFI_NEWS_FALL_2014.pdf Florida Timber Theft https://www.fdacs.gov/Forest-Wildfire/For-Landowners/Marketing-Your-Timber-ALandowner-s-Guide
Evidence Reviewed	<ul style="list-style-type: none"> - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development - PEFC Due Diligence Procedure (XXX) – In Development - World Bank’s Worldwide Governance Indicators (WGI) http://info.worldbank.org/governance/wgi/Home/Reports - Delivery/scale ticket
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>The FSC NRA specifically assessed risks associated with payments for harvesting rights and relevant royalties and taxes in section 1.5. The NRA notes that harvesting payments and royalties are generally only applicable on federal lands, which are not likely a primary source for Peak Renewables’ feedstock but, nonetheless, are well developed and regulated. On private lands, state and local taxes apply and generally followed. The NRA finds low risk and efficient preventative actions are in place. Section 1.6 finds risk of tax avoidance low and, similarly, section 1.7 finds low risk of nonpayment for income/profit taxes, recognizing strong regulation and enforcement at state and federal levels. As noted above, the GRI confirms strong rule of law.</p> <p>Peak Renewables’ own operations further reduce risk via the use of delivery tickets and payment records demonstrating payment of fees for wood. All wood is sourced from residual markets which ensure timber severance taxes are paid. Severance tax laws</p>

	<p>exist in Alabama, Georgia, and Florida and are established as either: (1) a fixed amount per unit of measurement or (2) a percentage of the value of timber harvested. These documents are confidential and proprietary.</p> <p>Peak Renewables requires a formal Wood Purchase Agreement/Contract (XXX) containing all legal and contractual requirements, as well as Due Diligence System (DDS) record collection and maintenance.</p>
Means of Verification	<ul style="list-style-type: none"> - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development - World Bank’s Worldwide Governance Indicators (WGI) <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>
Evidence Reviewed	Wood Purchase Agreement (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>The FSC NRA finds low risk for a company operating in the US purchasing CITES listed species via customs regulations including the Lacey Act in Section 1.19, 1.20 and 1.21. As noted in 1.20, No North American tree, including those in AI, GA, and FL, where Peak Renewables sources, with commercial timber value is listed in the CITES Appendices.</p> <p>The Endangered Species Act (ESA) of 1973 is a key legislation for both domestic and international conservation. The act aims to provide a framework to conserve and protect endangered and threatened species and their habitats. By providing States with financial assistance and incentives to develop and maintain conservation programs the</p>

	<p>Act serves as a method to meet many of the United States' international responsibilities to treaties and conventions such as the CITES and the Western Hemisphere Convention. The multinational species conservation acts function as amendments to the ESA and grant the division the authority to providing funding for projects that aim to conserve and protect these species.</p> <p>The risk of US timber exports violating CITES is therefore low. NRA section 1.21 notes effective enforcement, again, which is corroborated by the World Bank WGI findings indicating strong rule of law.</p> <p>Furthermore, Peak Renewables' has a PEFC Due Diligence Procedure and Risk Assessment (XXX) that addresses the requirements of CITES.</p>
<p>Means of Verification</p>	<ul style="list-style-type: none"> - Tree Species List (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - PEFC Risk Assessment that addresses the requirements of CITES (XXX) – In Development - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development - World Bank's Worldwide Governance Indicators (WGI) http://info.worldbank.org/governance/wgi/Home/Reports - CITES website: http://www.cites.org/eng/disc/species.php <p>Endangered Species Act (fws.gov)</p>
<p>Evidence Reviewed</p>	<ul style="list-style-type: none"> - Tree Species List (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - PEFC Risk Assessment that addresses the requirements of CITES (XXX) – In Development - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development - World Bank's Worldwide Governance Indicators (WGI) http://info.worldbank.org/governance/wgi/Home/Reports

	<ul style="list-style-type: none"> - CITES website: http://www.cites.org/eng/disc/species.php <p>Endangered Species Act (fws.gov)</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>The FSC NRA, in section 1.13, finds that “The risk of violating a right held through adverse possession is low. If the right is being held openly and exclusively, the potential violator should be able to discover it through inspection of the land. Overall, customary rights being are not important in forest management, with the possible exception of Native American treaty rights. On balance the risk for this category is assessed as low.” In addition, as noted elsewhere in this SBE, there are no federally recognized indigenous peoples in the sourcing region.</p> <p>Peak Renewables’ supplier agreements contain clauses related to legal compliance, which serve as a an additional mechanism related to ownership and traditional/civil rights, when and where applicable.</p> <p>The cited evidence supports a low risk designation for this indicator.</p>
Means of Verification	<ul style="list-style-type: none"> - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Sustainable Forestry Policy (XXX) – In Development - Listing of federally recognized tribes: List of Federal and State Recognized Tribes (ncsl.org) - Wood Purchase Agreement (XXX) – In Development

Evidence Reviewed	<ul style="list-style-type: none"> - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Sustainable Forestry Policy (XXX) – In Development - Listing of federally recognized tribes: List of Federal and State Recognized Tribes (ncsl.org) - Wood Purchase Agreement (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>Peak Renewables has a set of control systems and procedures in place for verifying forests or other areas of HCV and identifying and mapping them. SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments.</p> <p>As a baseline, the FSC US NRA has identified and mapped 2 HCV 1 areas in the Supply Base Area. The critical biodiversity areas are identified as: 1.)The Florida Panhandle, 2.) Southern Appalachians.</p> <p>The US NRA identifies 2 HCV 3 areas in the Peak Renewables Supply Base area: Late Successional Bottomland Hardwoods and Native Longleaf Pine Systems.</p> <p>No HCV 2, HCV4, HCV 5, or HCV6 sites have been identified in the supply base.</p> <p>Peak Renewables will annually review its supply area, the control systems and means of verification and engage with stakeholders to modify mapping and procedures, if necessary.</p> <p>With solid evidence of these systems in place and effective, risk is low.</p>
Means of	- FSC NRA

Verification	<ul style="list-style-type: none"> - SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - LJR Forest Products' has a Controlled Wood/Due Diligence Procedure (LJR-DP-02) - Wood Purchase Agreement (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Evidence Reviewed	<ul style="list-style-type: none"> - FSC NRA - SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Due Diligence Procedure (XXX) – In Development - Wood Purchase Agreement (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>Peak Renewables' standard operating procedures (SOP), certification to the PEFC standards, its FSC related mitigation activities, and the strong environmental laws and regulations in the supply area have mitigated the risk under 2.1.2.</p> <p>Peak Renewables evaluated the FSC US NRA to identify and map the high conservation values within its Supply Base. Four high conservation values were identified:</p> <ul style="list-style-type: none"> • Native longleaf pine systems (HCV 3) • Late successional bottomland hardwoods (HCV 3) • Florida Panhandle CBA (HCV 1) • South Appalachians CBA (HCV 1)
Means of Verification	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC US NRA - PEFC Due Diligence Procedure (XXX) – In Development - Wood Purchase Agreement (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - State BMP Manuals for forestry are contained below: <ul style="list-style-type: none"> - Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf - Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices - Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf - Forest Stewards Guild - The Longleaf Alliance
Evidence Reviewed	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC US NRA

	<ul style="list-style-type: none"> - PEFC Due Diligence Procedure (XXX) – In Development - Wood Purchase Agreement (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - State BMP Manuals for forestry are contained below: - Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf - Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices - Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf - Forest Stewards Guild - The Longleaf Alliance
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>Although Peak Renewables does not hold FSC Certification, the company intends to use the Control Measures defined in the FSC US NRA to mitigate the high conservation values in the Supply Base. The following control measures are implemented:</p> <p><u>Native Longleaf Pine Systems</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>Florida Panhandle CBA</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>South Appalachians CBA</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>Late Successional Bottomland Hardwoods</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p>In addition to the above mitigation measures and as each new residual supplier is evaluated, Peak Renewables's will determine if the new potential feedstock will originate from a forest with high conservation values and confirm that any risks have been included in the Supply Base Evaluation.</p> <p>A signed Supplier Self-Declaration is required for each supplier which outlines the provisions that must be met before delivering wood to the facility. These provisions include avoiding wood sourced from Controversial Sources as defined by PEFC and high conservation value forests.</p>

	<p>Peak Renewables also utilizes its PEFC certification to accept “certified” material. The risk of “certified” material originating from a high conservation value forest is low.</p> <p>Regular supplier correspondence relaying information about HCVs and other relevant items in the supply area.</p> <p>These measures, working together, reduce the risk from specified to low.</p>
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	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	<p>The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments.</p> <p>The FSC NRA was evaluated with Peak Renewables’ Supply Base and no counties were designated as having a specified risk for conversion (HCV Category 4) Therefore, the risk designation for this category is low.</p>
Means of Verification	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - Site visits - Supplier contracts <p>Verify secondary feedstock records to county levels</p>
Evidence Reviewed	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA - Wood Purchase Agreement (XXX) – In Development

	<ul style="list-style-type: none"> - Due Diligence Procedure (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - Site visits - Supplier contracts
Risk Rating	Low Risk Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	The FSC NRA finds low risk for GM trees across the US, including for the region of sourcing.
Means of Verification	<p>SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US</p> <ul style="list-style-type: none"> - FSC NRA- LJR Wood Purchase Agreement (LJR-SBP-DP-08) - Due Diligence Procedure (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - Site visits - Supplier contracts
Evidence Reviewed	<p>SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US</p> <ul style="list-style-type: none"> - FSC NRA - Due Diligence Procedure (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - Site visits - Supplier contracts

Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>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 PEFC Due Diligence Procedures (XXX) and Supplier contract requires the suppliers to use trained loggers and comply with BMPs, thus the risk for 2.2.1 is low.</p> <p>SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments.</p> <p>The NRA, through a combination of indicators evaluate the degree to which forests in the US appropriately managed including assessment of impacts, planning, implementation and monitoring. The NRA’s findings support a low risk rating for this indicator. These indicators relate specifically to land tenure and management rights (1.1), management and harvesting (1.3) and timber harvesting regulations (1.8). All of these rely on a strong framework of regulations and systems of enforcement.</p> <p>The facets of management addressed in this indicator are further supported by the nexus of robust law and BMPs in place in the US and the specific supply base. These include the broad spectrum of environmental laws related to water, air quality and biodiversity and other factors. To this end, the FSC NRA (1.9 Protected sites and species) notes that “The US has a broad and comprehensive legal structure surrounding species protection and the protection of socially and ecologically important sites, administered at both the federal and state level.”</p> <p>As noted above, the World Bank’s Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83%</p>

	<p>control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p> <p>Each State Forestry Agency/Commission conducts periodic BMP implementation monitoring. BMP compliance has been documented to be 84-99% for Alabama, Georgia, and Florida.</p> <p>This data, take together, supports a low risk designation for this indicator.</p>
<p>Means of Verification</p>	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbpcert.org) - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf- The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices.</p> <ul style="list-style-type: none"> - Site visits <p>Supplier contracts</p>
<p>Evidence Reviewed</p>	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbpcert.org) - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p>

	<p>nual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <ul style="list-style-type: none"> - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. - Site visits
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>See requirement 2.2.1 above.</p> <p>As noted elsewhere, compliance with BMPs is required in contracts with suppliers through the Supply Agreement/Contract (XXX).</p> <p>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. Peak Renewables and the general public benefit from the near universal use of trained loggers across the region.</p> <p>Best Management Practices address the protection of soils from erosion, compaction and disturbance. Alabama, Georgia, and Florida state BMPs protect soils and water quality. BMP compliance rates in these states are over 90% and, when implemented, NASF has found BMPs to be highly effective in minimizing impacts.</p> <p>This evidence supports a low risk conclusion.</p>
Means of Verification	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbpcert.org)

	<ul style="list-style-type: none"> - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <ul style="list-style-type: none"> - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. - Site visits
Evidence Reviewed	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbpcert.org) - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <ul style="list-style-type: none"> - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. - Site visits
Risk Rating	Low Risk

Comment or Mitigation Measure	Not Applicable
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	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	<p>The SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US (November 2018) provides guidance enabling biomass producers in the Southeast to utilize the FSC NRA as a basis for their risk assessments. Peak Renewables will use the FSC NRA to determine mitigation efforts that are effective in ensuring ecosystems and habitats are conserved or set aside in their natural state.</p> <p>The FSC US National Risk Assessment was evaluated for Peak Renewables’s Subbly Base and identified four High Conservation Values (HCV’s) were identified.</p> <ul style="list-style-type: none"> • Native longleaf pine systems (HCV 3) • Late successional bottomland hardwoods (HCV 3) • Florida Panhandle CBA (HCV 1) • South Appalachians CBA (HCV 1)
Means of Verification	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbpcert.org) - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p>

	<p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <ul style="list-style-type: none"> - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. - Site visits
<p>Evidence Reviewed</p>	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Documents-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbpcert.org) - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <ul style="list-style-type: none"> - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. - Site visits
<p>Risk Rating</p>	<p>Specified Risk</p>
<p>Comment or Mitigation Measure</p>	<p>Although Peak Renewables does not hold FSC Certification, the company intends to use the Control Measures defined in the FSC US NRA to mitigate the high conservation values in the Supply Base. The following control measures are implemented:</p> <p><u>Native Longleaf Pine Systems</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p>

	<p><u>Florida Panhandle CBA</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>South Appalachians CBA</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>Late Successional Bottomland Hardwoods</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p>In addition to the above mitigation measures and as each new residual supplier is evaluated, Peak Renewables’s will determine if the new potential feedstock will originate from a forest with high conservation values and confirm that any risks have been included in the Supply Base Evaluation.</p> <p>A signed Supplier Self-Declaration is required for each supplier which outlines the provisions that must be met before delivering wood to the facility. These provisions include avoiding wood sourced from Controversial Sources as defined by PEFC and high conservation value forests.</p> <p>Peak Renewables also utilizes its PEFC certification to accept “certified” material. The risk of “certified” material originating from a high conservation value forest is low.</p> <p>Regular supplier correspondence relaying information about HCVs and other relevant items in the supply area.</p> <p>These measures, working together, reduce the risk from specified to low.</p>
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	Indicator
2.2.4	The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	<p>Peak Renewables’ standard operating procedures (SOP), certification to the PEFC standards, its FSC related mitigation activities, and the strong environmental laws and regulations in the supply area have mitigated the risk under 2.1.2.</p> <p>Peak Renewables evaluated the FSC US NRA to identify and map the high conservation values within its Supply Base. Four high conservation values were identified:</p> <ul style="list-style-type: none"> • Native longleaf pine systems (HCV 3) • Late successional bottomland hardwoods (HCV 3) • Florida Panhandle CBA (HCV 1) • South Appalachians CBA (HCV 1)

Means of Verification	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA)- The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. - CITES website: http://www.cites.org/eng/disc/species.php - Endangered Species Act (fws.gov) <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Evidence Reviewed	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - FSC NRA - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. - CITES website: http://www.cites.org/eng/disc/species.php - Endangered Species Act (fws.gov)

	<p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>Although Peak Renewables does not hold FSC Certification, the company intends to use the Control Measures defined in the FSC US NRA to mitigate the high conservation values in the Supply Base. The following control measures are implemented:</p> <p><u>Native Longleaf Pine Systems</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>Florida Panhandle CBA</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>South Appalachians CBA</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p><u>Late Successional Bottomland Hardwoods</u>: CM 3.1.b Education and Outreach – partner with Long Leaf Alliance to support development of informational materials that can be distributed to suppliers and landowners.</p> <p>In addition to the above mitigation measures and as each new residual supplier is evaluated, Peak Renewables's will determine if the new potential feedstock will originate from a forest with high conservation values and confirm that any risks have been included in the Supply Base Evaluation.</p> <p>A signed Supplier Self-Declaration is required for each supplier which outlines the provisions that must be met before delivering wood to the facility. These provisions include avoiding wood sourced from Controversial Sources as defined by PEFC and high conservation value forests.</p> <p>Peak Renewables also utilizes its PEFC certification to accept "certified" material. The risk of "certified" material originating from a high conservation value forest is low.</p> <p>Regular supplier correspondence relaying information about HCVs and other relevant items in the supply area.</p> <p>These measures, working together, reduce the risk from specified to low.</p>

	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	<p>Peak Renewables is not directly involved in removal of forest residues. All inputs are considered indirect or secondary, as they are supplied by other wood producers and suppliers.</p> <p>Forest residues are a by-product of the timber harvest. The removal of forest residues usually occurs at time of harvest. In the Peak Renewables supply basin, the harvesting of forest residues is falls under the same BMP requirements as standing timber. All federal, state and local regulations apply to the removal of forest residues in the supply area.</p> <p>As noted elsewhere, US environmental and water quality laws and regulations minimize the risk to ecosystems. In addition, AL, GA, and FL have strong BMPs which protect forest sites during timber harvest and road building. Biannual BMP audits for all states in the Peak Renewables Supply Base show a high percentage of compliance to BMPs. The use of trained loggers and state BMPs result in a high level of environmental compliance. BMP compliance rates in these states are over 90% and, when implemented, NASF has found BMPs to be highly effective in minimizing impacts.</p> <p>The Peak Renewables 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.</p> <p>Peak Renewables' contracts with all suppliers require the use of trained loggers and compliance with BMPs. Peak Renewables has contracts with 100% of its suppliers.</p> <p>The above evidence supports a low risk designation.</p>
Means of Verification	<p>- Wood Purchase Agreement (XXX) – In Development</p> <p>- Due Diligence Procedure (XXX) – In Development- The National Association of State Forester (NASF) recently released publication, Protecting The Nation's Water: State Forestry Agencies and Best Management Practices.</p> <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p>

	Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf
Evidence Reviewed	<p>- Wood Purchase Agreement (XXX) – In Development</p> <p>- Due Diligence Procedure (XXX) – In Development</p> <p>- The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices.</p> <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	With support from SBP Guidance, Peak Renewables utilizes the FSC NRA in its risk assessment. Regarding HCV 4, critical ecosystem services in drinking water for populations, the NRA found low risk of forest management activities affecting water quality via indicator 3.4. The NRA notes “ forest management practices that do not threaten water quality will also effectively maintain the provision of other ecosystem services by those same forests. Evidence of the effectiveness of forestry BMPs, combined with the reported levels of compliance, indicates that there is a high likelihood that HCV 4 are not being threatened by forest management practices throughout the assessment area due to the implementation of forestry BMPs associated with State

	<p>nonpoint source pollution programs for compliance with the federal Clean Water Act.” (pp 268)</p> <p>As such, the NRA validates the use of BMPs to protect water quality and NASF has found BMPs to be highly effective in minimizing impacts.</p> <p>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.</p> <p>Forestry practices were evaluated by the Georgia Forestry Commission in 2021 as part of the Statewide Forestry BMP Survey. 260 sites were evaluated. Of the 9475 individual BMPs evaluated, the statewide percentage of correct implementation was 92.58 percent. This is a 1.82 percentage point change in BMP implementation from the 2019 survey. By ownership, the percentage of BMP implementation statewide was 95.07 percent on corporate lands, 97.11 percent on public lands, and 90.44 percent on NIPF lands. Corporate lands remained at a high level changing by just 1.23 percentage points from 2019, while NIPF lands and public lands both changed just by 2.38 and 0.87 percentage points respectively from the good levels seen in 2019.</p> <p>In Georgia, the forestry community's BMP implementation rate for streamside management zones is 91%. Forest owners continue to do an excellent job of protecting these sensitive areas. In addition, with a 93% overall statewide BMP implementation rate, forest operators as a whole are doing a good job of implementing forestry BMPs.</p> <p>Peak Renewables’ supplier agreements specify that feedstock is delivered with State Forestry Best Management Practices (BMPs), the Sustainable Biomass Partnership Feedstock Compliance Standard, and the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody and Due Diligence System (DDS) Standards addressing High Conservation Values. Suppliers also agree to contract loggers that have completed state sponsored logger education as defined by the Sustainable Forestry Initiative® (SFI®) Implementation Committee (SIC) in the state in which this agreement applies. These programs specifically emphasize BMP compliance.</p> <p>The above evidence supports a low risk designation.</p>
<p>Means of Verification</p>	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Ma</p>

	<p>nual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Evidence Reviewed	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	Please note that Peak Renewables 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 in AL, GA, and FL.

	<p>The only potential adverse impact to air quality from forestry activities would be from prescribed burning. Permits or authorization are required in all three states. As noted above, the US has robust legal enforcement systems in place, per GRI ratings.</p> <p>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.</p> <p>Prescribed fire is regulated by the following State Forestry Commissions:</p> <p>Alabama: https://forestry.alabama.gov/Pages/Fire/Burn_Permits.aspx Florida: https://www.fdacs.gov/Forest-Wildfire/Wildland-Fire/Burn-Authorizations Georgia: https://gatrees.org/fire-prevention-suppression/prescribed-burn/</p> <p>The above evidence supports a low risk designation.</p>
<p>Means of Verification</p>	<p>State Forestry Commissions:</p> <p>Alabama: https://forestry.alabama.gov/Pages/Fire/Burn_Permits.aspx Florida: https://www.fdacs.gov/Forest-Wildfire/Wildland-Fire/Burn-Authorizations Georgia: https://gatrees.org/fire-prevention-suppression/prescribed-burn/</p> <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
<p>Evidence Reviewed</p>	<p>State Forestry Commissions:</p> <p>Alabama: https://forestry.alabama.gov/Pages/Fire/Burn_Permits.aspx Florida: https://www.fdacs.gov/Forest-Wildfire/Wildland-Fire/Burn-Authorizations Georgia: https://gatrees.org/fire-prevention-suppression/prescribed-burn/</p> <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>

	Web.pdf
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>Peak Renewables has no involvement in the decisions regarding forest chemicals by landowners and relies on Federal and State laws and regulations. The Peak Renewables Wood Purchase Agreement (XXX) requires suppliers to follow State and Federal laws, as well as BMPs, relating to the environment and worker safety.</p> <p>Chemicals applied commercially are strictly regulated by EPA; 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.</p> <p>Each State forest agency has a Forest Health and Pest Control Division that monitors forest health and determines appropriate actions.</p> <p>State BMP Manuals address the application of chemicals and prescribe best practices to avoid water quality impacts. As noted elsewhere in this RA, BMPs have been found to be highly effective in protecting soil, water and other environmental resources.</p>

	<p>Peak Renewables 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.</p> <p>Each State forest agency has a Forest Health and Pest Control Division that monitors forest health and determines appropriate actions.</p> <p>Pest management programs are administered by the following State Forestry Agencies/Commissions.</p> <p>The above evidence supports a low risk designation.</p>
Means of Verification	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. <p>State BMP Mauals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <p>Supplier Contracts</p>
Evidence Reviewed	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - The National Association of State Forester (NASF) recently released publication, Protecting The Nation’s Water: State Forestry Agencies and Best Management Practices. <p>State BMP Mauals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>

	Web.pdf Supplier Contracts
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>As noted elsewhere, Peak Renewables is not directly involved in forest harvesting methods and relies on its Wood Purchase Agreement, State BMP programs and the use of trained loggers to minimize harm to the ecosystem from waste disposal.</p> <p>Waste disposal is addressed in state BMPs for forestry, as well as other laws. The Peak Renewables Wood Purchase Agreement (XXX) requires suppliers to follow State and Federal laws, as well as BMPs, relating to minimization of negative impacts on forest ecosystems and use trained loggers for forest harvesting. This includes removal of waste. As noted elsewhere, law is observed and enforced consistently in the US.</p> <p>State BMPs require the removal of garbage and other wastes.</p> <p>Many of Peak Renewables' suppliers have procurement organizations that are SFI certified. These companies then require the monitoring of trash removal through BMP monitoring reports.</p> <p>The reviewed evidence supports a low risk designation.</p>
Means of Verification	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p>

	<p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <p>Supplier Contracts</p>
Evidence Reviewed	<p>- Wood Purchase Agreement (XXX) – In Development</p> <p>- Due Diligence Procedure (XXX) – In Development</p> <p>State BMP Manuals for forestry are contained below:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p> <p>Supplier Contracts</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	In the states that overlap with Peak Renewables' wood basket, bioenergy and fuelwood constitute less than 10% of all forest production; this category generally represents byproducts of traditional forest projects, upon which Peak Renewables is entirely reliant, as it sources 100% secondary or tertiary materials. A study conducted by Forest2Market found that, over a period of 1995-2015, "removals for export pellet production represents 0.3% of the total pine pulpwood inventory and 0.09% of the combined pine pulpwood and sawtimber inventory." (pp14). The same study found total inventory for pine species has increased 1.7% annually over the last 15 years in the Atlantic Region (pp26).

	<p>The latest forest inventory data for the States of Alabama, Florida, and Georgia indicate that softwood and hardwood inventories are remaining stable or slightly increasing.</p> <table border="1" data-bbox="359 324 949 571"> <thead> <tr> <th>State</th> <th>County</th> <th>Growth</th> <th>Removals</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>AL</td> <td>All</td> <td>2,032,471,887</td> <td>1,271,811,772</td> <td>1.6</td> </tr> <tr> <td>FL</td> <td>All</td> <td>962,501,033</td> <td>532,990,990</td> <td>1.8</td> </tr> <tr> <td>GA</td> <td>All</td> <td>1,988,906,880</td> <td>1,374,740,587</td> <td>1.4</td> </tr> </tbody> </table> <p>As such, the harvesting of Peak Renewables' feedstock, as well as the wider pellet industry in this region, does not exceed or negatively impact productivity and ensures ongoing economic viability, which relies on sustainable harvesting. These results, together, enable a low risk specification.</p>	State	County	Growth	Removals	Ratio	AL	All	2,032,471,887	1,271,811,772	1.6	FL	All	962,501,033	532,990,990	1.8	GA	All	1,988,906,880	1,374,740,587	1.4
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<p>Means of Verification</p>	<p>State Forest Inventory & Analysis (FIA) updates and fact sheets: State Forest Inventory & Analysis (FIA) Updates and Fact Sheets:</p> <p>Alabama: http://www.srs.fs.usda.gov/pubs/su/su_srs042.pdf</p> <p>Florida: http://www.srs.fs.usda.gov/pubs/su/su_srs043.pdf</p> <p>Georgia: https://gatrees.org/forest-industry/forest-inventory-analysis/</p> <p>- Wood Supply Market Trends in the US South, 1995-2015, Forest2Market - Forest2Market-Wood-Supply-Market-Trends-in-the-US-South-November-2015.comp_.pdf</p>																				
<p>Evidence Reviewed</p>	<p>State Forest Inventory & Analysis (FIA) updates and fact sheets: State Forest Inventory & Analysis (FIA) Updates and Fact Sheets:</p> <p>Alabama: http://www.srs.fs.usda.gov/pubs/su/su_srs042.pdf</p> <p>Florida: http://www.srs.fs.usda.gov/pubs/su/su_srs043.pdf</p> <p>Georgia: https://gatrees.org/forest-industry/forest-inventory-analysis/</p> <p>- Wood Supply Market Trends in the US South, 1995-2015, Forest2Market - Forest2Market-Wood-Supply-Market-Trends-in-the-US-South-November-2015.comp_.pdf</p>																				
<p>Risk Rating</p>	<p>Low Risk</p>																				

Comment or Mitigation Measure	Not Applicable
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	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	<p>Peak Renewables conducts in-depth internal training for all responsible and affiliated personnel.</p> <p>Per Peak Renewables' Wood Purchase Agreement (XXX), suppliers also agree to contract loggers that have completed state sponsored logger education as defined by the Sustainable Forestry Initiative® (SFI®) Implementation Committee (SIC) in the state in which this agreement applies. These programs specifically emphasize BMP compliance. Virtually all logging contractors across the region are considered Qualified Logging Professionals due to the SFI Fiber Sourcing Standard requirements.</p> <p>Peak Renewables' contracts contain clauses related to trained loggers and legal compliance, which relate to training. The procedures also requires the Supplier to observe all OSHA laws and regulations related to Worker Health and Safety. 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.</p> <p>These data support low risk designation for this indicator.</p>
Means of Verification	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Training attendance sheets - Safety records and meeting attendance sheets
Evidence Reviewed	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Training attendance sheets - Safety records and meeting attendance sheets
Risk Rating	Low Risk

Comment or Mitigation Measure	Not Applicable
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	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	<p>The Peak Renewables pellet mill contributes to the local economy in the town that they are located by providing employment and using local businesses. Peak Renewables employs approximately 25 people in its pellet mill. Which 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.</p> <p>Peak Renewables provides 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.</p> <p>The economic contribution of forestry to the States of Alabama, Florida, and Georgia, economies is substantial. In Georgia, forestry is the #2 industry in the state. Forestry is one of the top agricultural products in Florida.</p> <p>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.</p> <p>More economic data for each state can be found at the following websites:</p> <p>Alabama: http://forestryimpacts.net/reports/alabama Florida: www.forestryimpacts.net/reports/florida Georgia: www.forestryimpacts.net/reports/georgia</p> <p>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. In 2021, Georgia logging and forest management operations employed 5,384 with annual wages and salaries totalling \$360 million.</p> <p>These data, taken together, enable a low risk specification.</p>

Means of Verification	<ul style="list-style-type: none"> - Peak Renewables payroll - State economic websites - US Bureau of Labor and Statistics - State Forestry websites
Evidence Reviewed	<ul style="list-style-type: none"> - Peak Renewables payroll - State economic websites - US Bureau of Labor and Statistics - State Forestry websites
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>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, Supplier Contracts mitigate 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.</p> <p>Peak Renewables requires suppliers, by contract, to use trained loggers. All states in the Supply Base have professional logger training and logger status such as the Georgia Master Timber Harvester program 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.</p> <p>As evidence of compliance for specific BMPs, the implementation ranges in the region are as follows:</p>

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. Furthermore, the Peak Renewables 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.

The latest forest inventory data for the States of Alabama, Florida, and Georgia 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 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.
Means of Verification	<ul style="list-style-type: none"> - Supplier Contracts - US Forest Service FIA Data - State Forestry Websites - State BMP's data
Evidence Reviewed	<ul style="list-style-type: none"> - Supplier Contracts - US Forest Service FIA Data - State Forestry Websites - State BMP's data
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>As noted elsewhere, Peak Renewables does not own forest land or manage forest land. However, Peak Renewables and other industry players are instrumental to addressing forest health issues 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.</p> <p>Peak Renewables depends on the state and federal government agencies that have active forest health and fire control programs administered across ownerships, including on private lands. These agencies actively monitor and manage pests, disease and fires and provide additional critical resources to landowners to do so, as well. The state agencies in Alabama, Georgia, and Florida have identified proactive action on forest health issues as priorities. These efforts are complemented and supported by the U.S. Forest Service, which provides funding to State Forestry Commissions through its State</p>

	<p>& Private Forestry Programs for this specific purpose. See the US Forest Service website addressing fire prevention and control and forest health. https://www.fs.fed.us/spf/</p> <p>In addition, Peak Renewables intends to become a member of the state forestry associations that represent private forest owners and the wood products industry. This associations work with the forestry commissions to address fire and forest health issues for all landowners.</p> <p>-</p> <p>Thus, a low risk designation is supported for this indicator.</p>
Means of Verification	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Alabama, Georgia, and Florida state forestry websites - USDA Forest Service website - Wood Purchase Agreement (XXX) – In Development
Evidence Reviewed	<ul style="list-style-type: none"> - Alabama, Georgia, and Florida state forestry websites - USDA Forest Service website - Wood Purchase Agreement (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	Peak Renewables' Sustainable Forestry Policy (XXX) and Sustainable Biomass Policy (XXX) address legality and compliance with applicable laws and regulations. Peak Renewables' Supplier contract requires that Suppliers adhere to all Federal and State laws and regulations. Peak Renewables implements a PEFC Due Diligence Procedure

	<p>for all of its Supply Areas/Districts of Origin (XXX) and all inputs are considered PEFC non-controversial and SBP Controlled Feedstock.</p> <p>Peak Renewables 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.</p> <p>Peak Renewables requires contracts, Delivery Tickets and other documentation verifying legal ownership of incoming wood material from its mill residual suppliers.</p> <p>As noted above, the FSC NRA included comprehensive evaluation of risk that illegally harvested wood entering FSC controlled wood supply chains within the conterminous United States. This assessment found risk illegality low, reflecting strong legal and enforcement frameworks. Further, as noted above, the World Bank's Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83% control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p> <p>Together, these data serve as evidence demonstrating low risk.</p>
Means of Verification	<ul style="list-style-type: none"> - Due Diligence Procedure (XXX) – In Development - PEFC Risk Assessment that addresses the requirements of CITES (XXX) – In Development - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development - World Bank's Worldwide Governance Indicators (WGI) <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>
Evidence Reviewed	<ul style="list-style-type: none"> - Due Diligence Procedure (XXX) – In Development - PEFC Risk Assessment that addresses the requirements of CITES (XXX) – In Development - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development

	- World Bank's Worldwide Governance Indicators (WGI) http://info.worldbank.org/governance/wgi/Home/Reports
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>The FSC NRA has concluded Low Risk for Category 2, Wood harvested in violation of traditional or human rights. Peak Renewables PEFC Chain of Custody Certificate provide sufficient objective evidence of conformance to the indicator.</p> <p>Additionally, Peak Renewables has sought the input of the following Federally recognized tribes, which are located in the states within the Supply Area:</p> <p>Alabama: Poarch Band of Creek Indians</p> <p>Georgia: None</p> <p>Florida: Seminole Tribe of Florida and the Miccosukee Tribe of Indians</p> <p>It is important to note, however, that these Federally recognized tribes may or may not have interests within the procurement zone and other indigenous groups may have historic homelands in this area.</p> <p>These data support a low risk designation.</p>
Means of Verification	<ul style="list-style-type: none"> - Due Diligence Procedure (XXX) – In Development - PEFC Risk Assessment that addresses the requirements of CITES (XXX) – In Development - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Stakeholder consultation
Evidence Reviewed	- Due Diligence Procedure (XXX) – In Development

	<ul style="list-style-type: none"> - PEFC Risk Assessment that addresses the requirements of CITES (XXX) – In Development - FSC National Risk Assessment: FSC US Controlled Wood National Risk Assessment (US NRA) - Stakeholder consultation
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>With support from SBP Guidance, Peak Renewables utilizes the FSC NRA in its risk assessment. Regarding HCV 4, critical ecosystem services in drinking water for populations, the NRA found low risk of forest management activities affecting water quality via indicator 3.4. The NRA notes “ forest management practices that do not threaten water quality will also effectively maintain the provision of other ecosystem services by those same forests. Evidence of the effectiveness of forestry BMPs, combined with the reported levels of compliance, indicates that there is a high likelihood that HCV 4 are not being threatened by forest management practices throughout the assessment area due to the implementation of forestry BMPs associated with State nonpoint source pollution programs for compliance with the federal Clean Water Act.” (pp 268)</p> <p>As such, the NRA validates the use of BMPs to protect water quality. BMP compliance rates in Alabama, Georgia, and Florida states are over 90% and NASF has found BMPs to be highly effective in minimizing impacts.</p> <p>State BMPs include provisions for protecting water and are proven effective. Peak Renewables’ supplier procedures that require adherence to BMPs as a control system for water supply quality as BMPs may influence water supply both directly and indirectly.</p>

	<p>As such, Peak Renewables' PEFC Chain of Custody Certificate provides sufficient objective evidence of conformance to this Indicator.</p> <p>No subsistence level communities are present across the supply base where the use of the wood feedstock is essential to fulfil basic human needs.</p> <p>The Statewide Forest Resource Assessment cited elsewhere in the volumes of SBP evidence had not identified any such subsistence communities. Therefore, this Indicator is not applicable and is outside the scope of Peak Renewables' SBP program. As such, it is considered Low Risk.</p>
Means of Verification	<ul style="list-style-type: none"> - FSC NRA - SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development <p>State BMPs:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Evidence Reviewed	<ul style="list-style-type: none"> - FSC NRA - SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - FSC Static Maps of Areas with Specified Risk: FSC US Controlled Wood National Risk Assessment (US NRA) - Wood Purchase Agreement (XXX) – In Development <p>State BMPs:</p> <p>Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf</p> <p>Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices</p> <p>Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>

	Web.pdf
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>The US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Peak Renewables PEFC Chain of Custody Certificate provides objective evidence of conformance related to having systems in place to resolve grievances and disputes.</p> <p>Peak Renewables relies on legal compliance which is enforced primarily with its contract with Suppliers.</p> <p>Peak Renewables has a formal process for receiving and responding to public inquiries, particularly those that potentially relate to practices that may be inconsistent with the PEFC and SBP Standards.</p> <p>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.</p> <p>Together, these data provide a low risk designation.</p>
Means of Verification	<ul style="list-style-type: none"> - FSC NRA - SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development
Evidence	- FSC NRA

Reviewed	<ul style="list-style-type: none"> - SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>The US NRA has concluded Low Risk for Category 2, wood harvested in violation of traditional and human rights. Peak Renewables PEFC Chain of Custody Certificate provides objective evidence of conformance related to having systems in place to resolve grievances and disputes.</p> <p>Peak Renewables 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. U.S. law clearly specifies rights to collective bargaining and freedom of association.</p> <p>Peak Renewables 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.</p> <p>Peak Renewables 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:</p> <ul style="list-style-type: none"> - a Policy Statement of Commitment to legal compliance,- access to all applicable laws and regulations as documented in the Supply Base Evaluation, - contract provisions with suppliers requiring legal compliance, - training of responsible personnel,

	<ul style="list-style-type: none"> - internal monitoring and auditing of conformance to applicable laws and certification requirements, - corrective and preventive action procedures to address any non-compliance issues, - annual management reviews of compliance issues, and - independent certification to numerous standards including SBP and PEFC. <p>These contribute to ample support for designation of low risk.</p>
Means of Verification	<ul style="list-style-type: none"> - ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - US Organization law: http://www.dol.gov/dol/aboutdol/history/amworkerconclusion.htm - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development
Evidence Reviewed	<ul style="list-style-type: none"> - ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - US Organization law: http://www.dol.gov/dol/aboutdol/history/amworkerconclusion.htm - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>As with 2.7.1, the US NRA has concluded Low Risk for Category 2, wood harvested in violation of traditional and human rights. Peak Renewables PEFC Chain of Custody Certificate provides objective evidence of conformance related to having systems in place to protect human rights.</p> <p>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.</p> <p>Thus, there is adequate evidence to support a low risk designation.</p>
Means of Verification	<ul style="list-style-type: none"> - ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - US Organization law: http://www.dol.gov/dol/aboutdol/history/amworkerconclusion.htm - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development
Evidence Reviewed	<ul style="list-style-type: none"> - ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - US Organization law: http://www.dol.gov/dol/aboutdol/history/amworkerconclusion.htm - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org)

	<ul style="list-style-type: none"> - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
2.7.3	The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	<p>As with 2.7.1 and 2.7.2, the US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Peak Renewables PEFC Chain of Custody Certificate provides objective evidence of conformance related to having systems in place to protect human rights.</p> <p>In addition, Peak Renewables depends on legal compliance which is primarily enforced by its suppliers. The US has robust child labor laws. Child Labor laws and regulations are enforced by the U.S. Department of Labor.</p> <p>The World Bank's Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83% control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p> <p>Together, these multifaceted objective ratings serve as evidence demonstrates Low Risk for this indicator.</p>
Means of Verification	<ul style="list-style-type: none"> - U.S. Department of Labor http://www.dol.gov/dol/topic/youthlabor/ - ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - US Organization law: http://www.dol.gov/dol/aboutdol/history/amworkerconclusion.htm

	<ul style="list-style-type: none"> - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - World Bank’s Worldwide Governance Indicators (WGI) <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>
Evidence Reviewed	<ul style="list-style-type: none"> - U.S. Department of Labor http://www.dol.gov/dol/topic/youthlabor/ - ILO Conventions https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - US Organization law: http://www.dol.gov/dol/aboutdol/history/amworkerconclusion.htm - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - World Bank’s Worldwide Governance Indicators (WGI) <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
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<p>2.7.4</p>	<p>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.</p>
<p>Finding</p>	<p>As with indicators above, the US NRA has concluded Low Risk for Category 2, Wood Harvested in violation of traditional and human rights. Peak Renewables PEFC Chain of Custody Certificate provides objective evidence of conformance related to having systems in support workers' rights.</p> <p>In addition, Peak Renewables depends on legal compliance which is primarily enforced by its suppliers. The US has robust laws to protect workers and their rights. These include the Federal Equal Opportunity Act, anti-discrimination laws and regulations and others. Legal compliance is a requirement of Peak Renewables' supplier procedure.</p> <p>The World Bank's Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83% control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p> <p>Peak Renewables 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.</p> <p>These data, together, support low risk designation.</p>
<p>Means of Verification</p>	<ul style="list-style-type: none"> - Department of Labor: http://www.eeoc.gov/facts/qanda.html - ILO https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>World Bank's Worldwide Governance Indicators (WGI)</p> <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>

Evidence Reviewed	<ul style="list-style-type: none"> - Department of Labor: http://www.eeoc.gov/facts/qanda.html - ILO https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - SBP Guidance Document: Assessment of risk, means of verification and mitigation measures in the Southeast US - FSC NRA: SBP-Guidance-Document-Assessment-of-Risk-Means-of-Verification-and-Mitigation-Measures-in-the-SE-US FINAL, Nov 18 (sbp-cert.org) - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>Peak Renewables' Supplier Contract (XXX) specifies contract conditions and compliance with Department of Labor regulations and address worker compensation coverage.</p> <p>Peak Renewables' PEFC Certificate provide objective evidence of conformance with health and safety laws and regulations. Review of safety programs supports that most topics are required under law.</p> <p>The US has a strong legal framework and system of laws and regulations that protect forest workers. Logging contractors also are insured and have insurance representatives that come out to the site to validate the safety of the forest workers. There are also regional Logger organizations which offer continuing education and support to the logger workforce.</p> <p>The World Bank's Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83% control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p>

	Taken together, these data support low risk designation.
Means of Verification	<ul style="list-style-type: none"> - OSHA Logging Safety website: https://www.osha.gov/SLTC/logging/ - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>World Bank's Worldwide Governance Indicators (WGI)</p> <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>
Evidence Reviewed	<ul style="list-style-type: none"> - OSHA Logging Safety website: https://www.osha.gov/SLTC/logging/ - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development <p>World Bank's Worldwide Governance Indicators (WGI)</p> <p>http://info.worldbank.org/governance/wgi/Home/Reports</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>Peak Renewables Supplier Contract (XXX) specifies contract conditions and compliance with Department of Labor regulations. Peak Renewables' PEFC Certificate also provides objective evidence of conformance with health and safety laws and regulations. Review of safety programs supports that most topics are required under law.</p> <p>The US has a strong legal framework and system of laws and regulations that protect forest workers. Logging contractors also are insured and have insurance representatives that come out to the site to validate the safety of the forest workers. There are also regional Logger organizations which offer continuing education and support to the logger workforce.</p>

	<p>The World Bank's Worldwide Governance Indicators (WGI) ranks the United States at 87% for government effectiveness, 91% in regulatory quality, 83% control of corruption and 89% in rule of law. In all these salient governance indices, performance of the United States is considered strong.</p> <p>Peak Renewables' pellet mill has a strong commitment to safety and require mill employees to be properly trained, wear PPE and attend regular safety meetings. Peak Renewables' pellets mill has a Health and Safety Manager and also work with contractors to manage the safety program.</p> <p>Taken together, these data support low risk designation.</p>
Means of Verification	<ul style="list-style-type: none"> - U.S. Fair Labor Law website: http://www.flcdatacenter.com/ - ILO https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - World Bank's Worldwide Governance Indicators (WGI) http://info.worldbank.org/governance/wgi/Home/Reports
Evidence Reviewed	<ul style="list-style-type: none"> - U.S. Fair Labor Law website: http://www.flcdatacenter.com/ - ILO https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102871 - Wood Purchase Agreement (XXX) – In Development - Due Diligence Procedure (XXX) – In Development - World Bank's Worldwide Governance Indicators (WGI) http://info.worldbank.org/governance/wgi/Home/Reports
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>High carbon stocks in the Peak Renewables Supply Base would be defined as swamps or peatlands, such as the Okefenokee Swamp, which is federally protected, or old growth forests. Neither Peak Renewables nor its suppliers harvest on peatlands and there are no old growth forests in the supply base.</p> <p>Bottomland hardwoods are sometimes associated with carbon sinks. There is some harvesting that occurs in bottomland hardwoods. In this region, these forests are, generally, considered second growth harvested primarily in the outer buffers of SMZs and do not, generally, meet the definition of high carbon stocks.</p> <p>Peak Renewables sources 100% pine from secondary suppliers, generally sourcing from areas that have been in pine production for many years and are at low risk for being harvested hardwoods, peatlands or wetlands.</p> <p>The noted carbon stock forests tend to be associated with wet and inundated soils. A rigorous and longstanding framework of regulations and BMPs provide protection for these resources. 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.</p> <p>Peak Renewables relies on this strong legal framework and its Supplier Contract for adherence to federal laws, implementation of BMPs and avoidance of peatlands/HCVs.</p> <p>Peak Renewables' supply agreement requires suppliers to comply with BMPs and all local, state, and federal laws. Peak Renewables has inspection controls in place to monitor BMP compliance on its primary feedstock tracts as well as monitoring State Forestry Agencies BMP compliance surveys.</p> <p>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.</p> <p>The Natural Resources Conservation Service provides a Rapid Carbon Assessment (RaCA) map that identifies areas of high Soil Organic Carbon (SOC) stocks within the Peak Renewables' supply region. This map indicates that areas of high SOC exist in the Okefenokee National Wildlife refuge in Southeast Georgia. There are also relatively small areas along the eastern coastal plain near river bottoms.</p> <p>These sources, analyzed and considered together, support a low risk designation for this indicator.</p>

Means of Verification	<ul style="list-style-type: none"> - Clean water Action, Section 404: Overview of Clean Water Act Section 404 US EPA - Tree Volume, Biomass, and Carbon Models US Forest Service Research and Development (usda.gov) - NRCS RaCA map https://www.nrcs.usda.gov/wps/portal/nrcs/detail/soils/survey/?cid=nrcs142p2_054164 <p>Wood Purchase Agreement (XXX) – In Development</p>
Evidence Reviewed	<ul style="list-style-type: none"> - Clean water Action, Section 404: Overview of Clean Water Act Section 404 US EPA - Tree Volume, Biomass, and Carbon Models US Forest Service Research and Development (usda.gov) - NRCS RaCA map https://www.nrcs.usda.gov/wps/portal/nrcs/detail/soils/survey/?cid=nrcs142p2_054164 <p>Wood Purchase Agreement (XXX) – In Development</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	<p>Research is available that demonstrates that forest management in the U.S. does not diminish the capability of the forest to serve as carbon sinks. Forests are shown to serve as a carbon sink and offset 13% of carbon emissions from the burning of fossil fuel. Additionally, rresearch of 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.</p> <p>Peak Renewables sources 100% pine and 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.</p>

	<p>As noted above, forests associated with carbon stocks tend to be associated with wet soils, which enjoy strong protections under law and via BMP implementation. State BMPs monitoring in the states of the supply base indicate very high levels (90%+) of BMP compliance and the avoidance of impacts to water quality and quantity that wetlands containing carbon depend upon.</p> <p>Peak Renewables' supplier procedure and contract provisions include specific provisions to address protection of high carbon stocks and specified use of BMPs, noting that <i>wood fiber is not obtained from land with high biodiversity value, high carbon stock nor peat land where those values could be significantly threatened.</i></p> <p><i>Seller hereby certifies that all wood produced and delivered under this Agreement will be done so in compliance with State Forestry Best Management Practices...</i></p> <p>These data, taken together, support designation of low risk for this indicator.</p>
Means of Verification	<ul style="list-style-type: none"> - Tree Volume, Biomass, and Carbon Models US Forest Service Research and Development (usda.gov)- http://www.fia.fs.fed.us/forestcarbon/ - Wood Purchase Agreement (XXX) – In Development
Evidence Reviewed	<ul style="list-style-type: none"> - Tree Volume, Biomass, and Carbon Models US Forest Service Research and Development (usda.gov)- http://www.fia.fs.fed.us/forestcarbon/ - Wood Purchase Agreement (XXX) – In Development <p>State BMPs: Alabama: www.forestry.alabama.gov/Pages/Management/Forms/2007_BMP_Manual.pdf Florida: https://www.fdacs.gov/Forest-Wildfire/Silviculture-Best-Management-Practices Georgia: https://gatrees.org/wp-content/uploads/2020/02/BMP-Manual-2019-Web.pdf</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable