

Supply Base Report Template for Biomass Producers

www.sustainablebiomasspartnership.org



Version 1.1 February 2016

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

Document history

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1 Overview

On the first page include the following information:

Producer name: Colombo Energy, Inc.

Producer location: 200 Colombo Drive, Greenwood, SC 29646

Geographic position: 34.229426° / -82.062082°

Primary contact: Ken Leach, 200 Colombo Drive, Greenwood, SC 29646, (864) 889-0358, ken.leach@thenavigatorcompany.com

Company website:

Date report finalised: 08/06/2016

Close of last CB audit: 17 June 2016; Greenwood, SC

Name of CB: NSF

Translations from English: NA

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

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

SBP Endorsed Regional Risk Assessment: Not Applicable

Weblink to SBE on Company website: [e.g. www.bp.com]

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

2 Description of the Supply Base

2.1 General description

Colombo Energy, Inc. (CE), a subsidiary of The Navigator Company is constructing a wood pellet facility currently scheduled to become operational in July 2016. The company has not purchased any feedstock to date, but plans to start its feedstock purchases next month, June 2016. CE has a contract with Enviva to purchase its wood pellets at the Enviva port in North Carolina starting this year.

CE will purchase primary and secondary feedstock from hundred fifty (150) counties (18,728,363 hectares) in Georgia (58 counties), North Carolina (46 counties) and the entire state of South Carolina (46 counties) within the United States. Forests are the predominant land use in this supply base (66%). Hardwood forests comprise the largest forest type (50%) of the supply area's forest followed by pine forests (38%). The pine/oak forest comprises 11% of the supply area's forest type while about 1% of the forest is considered non-stocked. About 78% of the supply area's forests are managed as natural forests (9,592,730 hectares) while the remaining 22% of the supply area's forests are artificially regenerated (2,678,685 hectares).

CE will purchase its primary feedstock in the form of roundwood and in-woods chips from primarily small landowners. Private forest landowners account for 86% of the forestland within the wood basin. Federal lands account for a little more than 10% with the remainder (<4%) owned by state and local governments. Small landowners will provide about 75% of the primary feedstock while large private landowners will provide the remaining 25%. Minimal primary feedstock is scheduled to originate from public lands.

The forest products industry is a very large part of the area's economy and is one of the top industries within both states generating \$16.9 billion in GA, \$10.7 billion in NC and \$18.6 billion in SC annually. In GA there are 12 pulp/paper manufacturing facilities and 10 bioenergy facilities within the state. In SC there are 97 primary wood products facilities within the state.

While hardwood forests dominate the majority of the forests within the supply area, as previously stated, the primary species to be used for feedstock is loblolly pine (*Pinus taeda*). Other species of southern yellow pine, including shortleaf pine (*Pinus echinata*), Virginia pine (*Pinus virginiana*) and longleaf pine (*Pinus palustris*) will also be used. Small amounts of hardwood roundwood may be mixed with these pine species in primary feedstock. No species purchased at the CE facility is listed on the CITES list. Longleaf pine was recently added to the IUCN Red List.

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

These intensively managed pine forests represent a very small percentage of the overall pine forests in the supply basin.

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

The vast majority of forests in the CE supply area are managed according to state forestry best management practices (BMPs). While these BMPs are normally voluntary, all CE suppliers are contractually required to abide by them. Supplier compliance with state BMPs is verified by periodic audits conducted by CE. CE's SFI Sourcing Procedures require all harvesting professionals to maintain continuing education training on BMPs and other sustainable forestry issues such as wildlife habitats and biodiversity and aesthetics. Overall BMP compliance reported for the various states within the supply base are: GA – 91.3% (2015); NC – 85% (2008); SC – 93.4% (2012).

Sustainable forestry certification is present in CE's supply with the company planning to purchase about 20% of its primary feedstock as SFI or ATF certified. Forest Stewardship Council (FSC) certified lands are present within the supply base, but no plans have been finalized to purchase FSC certified feedstock.

CE will purchase pine and hardwood roundwood and pine in-woods chips as its primary feedstock from about thirty eight (38) wood suppliers. Secondary feedstock will be received from about five (5) suppliers in the form of pine chip mill and residual chips, hardwood residual chips, pine and hardwood sawdust and pine shavings. Primary feedstock will account for 98% of the total feedstock. Secondary feedstock will account for 2% of the total feedstock.

2.2 Actions taken to promote certification amongst feedstock supplier

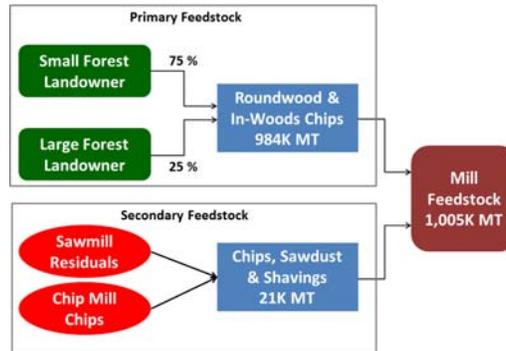
CE is pursuing certification to the SFI Fiber Sourcing Standard, FSC Chain of Custody Standard, FSC Controlled Wood Standard and PEFC Chain of Custody Standard. As part of CE's SFI compliance program, the company promotes SFI and American Tree Farm (ATF) certification. CE personnel are active members of the SC Tree Farm program. CE personnel are active members of the SC SFI State Implementation Committee (SIC). The company provides sustainable forestry information, including ATF certification information, to landowners. In addition CE requires logging operations to be conducted by loggers trained in accordance with the state training program as conducted by the SFI state implementation committee.

2.3 Final harvest sampling programme

CE through its SFI Sourcing procedures, samples a maximum of 5% of all harvest sites or twenty four (24) harvesting sites of all forest tracts from which its primary feedstock originates annually. This procedure is described in the company's CE-PROC-001 Fiber Sourcing Procedures. CE personnel document the type of harvest, location of harvest, BMP compliance, etc. on the CE-DOC-005 BMP Compliance Checklist to record this sample data.

Approximately 40% of CE's roundwood will come from final fellings. The other 60% will originate from thinnings. The typical rotation age of final fellings in the region is 25 - 30 years.

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



2.5 Quantification of the Supply Base

Supply Base

- Total Supply Base area (ha): 18,728,363 ha
- Tenure by type (ha): Privately owned (10,545,075 ha) / Public - Federal (1,267,575 ha) / Public - State (283,822 ha) / Public - Local (174,943 ha)
- Forest by type (ha): Temperate (12,271,415 ha)
- Forest by management type (ha): Plantation (2,678,685 ha) / Managed Natural (9,320,629 ha) / Natural (272,101 ha)
- Certified forest by scheme (ha): SFI (438,542 ha) / FSC (130,226 ha) / ATFS (125,182 ha)

Feedstock

- Total volume of Feedstock: 1,005,577.09 tonnes (based on mill capacity)
- Volume of primary feedstock: 983,957.06 tonnes (based on mill capacity)
- List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme: 20% (10% SFI, 10% ATF)
 - Not certified to an SBP-approved Forest Management Scheme: 80%
- List all species in primary feedstock, including scientific name

Species List	
Primary Species:	Miscellaneous Species (con't):
Loblolly Pine (<i>Pinus taeda</i>)	Hickory (<i>Carya spp</i>)
Miscellaneous Species:	Locust (<i>Robinia spp</i>)
Longleaf Pine (<i>Pinus palustris</i>)	Maple (<i>Acer spp</i>)
Sand Pine (<i>Pinus clausa</i>)	Oak (<i>Quercus spp</i>)
Shortleaf Pine (<i>Pinus echinata</i>)	Persimmon (<i>Diospyros virginiana</i>)

Species List	
Virginia Pine (<i>Pinus virginiana</i>)	Red maple (<i>Acer rubrum</i>)
American beech (<i>Fagus grandifolia</i>)	Red mulberry (<i>Morus rubra</i>)
Ash (<i>Fraxinus spp</i>)	Red oak (<i>Quercus rubra</i>)
Basswood, American (<i>Tilia americana</i>)	River birch (<i>Betula nigra</i>)
Black cherry (<i>Prunus serotina</i>)	Sassafras (<i>Sassafras albidum</i>)
Black walnut (<i>Juglans nigra</i>)	Sourwood (<i>Oxydendrum arboreum</i>)
Blackgum (<i>Nyssa sylvatica</i>)	Sugarberry (<i>Celtis laevigata</i>)
Boxelder (<i>Acer negundo</i>)	Sweetgum (<i>Liquidambar styraciflua</i>)
Buckeye (<i>Aesculus spp</i>)	Sycamore (<i>Platanus occidentalis</i>)
Eastern cottonwood (<i>Populus deltoides</i>)	Water oak (<i>Quercus nigra</i>)
Elm (<i>Ulmus spp</i>)	White oak (<i>Quercus alba</i>)
Hackberry (<i>Celtis occidentalis</i>)	Yellow-poplar (<i>Liriodendron tulipifera</i>)

- j. Volume of primary feedstock from primary forest: 0 tonnes
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 0%
- l. Volume of secondary feedstock: specify origin and type (based on mill capacity) -

Pine Chip Mill Chips	2,387.71 tonnes
Pine Residual Chips	14,210.14 tonnes
Hardwood Residual Chips	1,182.06 tonnes
Pine Sawdust	1,671.94 tonnes
Hardwood Sawdust	1,331.75 tonnes
Pine Shavings	836.42 tonnes

- m. Volume of tertiary feedstock: specify origin and composition – 0 tonnes

3 Requirement for a Supply Base Evaluation

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

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

4 Supply Base Evaluation

4.1 Scope

The scope of the supply base evaluation of Colombo Energy is to confirm all indicators of Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance Standard are considered low risk and unspecified risk with mitigation within the defined supply base.

4.2 Justification

The evaluation assessed each of the indicators within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance to determine if there is a low risk associated with each indicator. This assessment reviewed applicable laws and regulations and forestry best management practices, analysed high conservation areas within the supply base for their rareness and level of protection and assessed the economic impact of the company's presence in the supply base.

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

4.3 Results of Risk Assessment

The results of the risk assessment indicate there is low risk to all indicators except for indicators 2.1.2, 2.2.3, 2.2.4, and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance. These indicators (2.1.2, 2.2.3, 2.2.4, and 2.2.5) were initially declared to be Unspecified Risk and have determined to be low risk and unspecified risk with mitigation. No additional supplier assessment programs were identified as needed.

4.4 Results of Supplier Verification Programme

The Supplier Verification Programme to mitigate any unspecified risk that may have been determined from the risk assessment for indicators 2.1.2, 2.2.3, 2.2.4 and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Indicators (2.1.2, 2.2.3, 2.2.4, and 2.2.5) were initially declared to be Unspecified Risk and have determined to be low risk and unspecified risk with mitigation Feedstock Compliance includes the following systems to verify that mitigation measures are in place:

- a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from high conservation value areas. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock.

- b. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists.
- c. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conservation value areas and the habitats/ecosystems these areas are located.
- d. The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if the supplier has received any wood from high conservation value areas.

4.5 Conclusion

Based on the results of the supply base evaluation there is low risk to all indicators except for indicators 2.1.2, 2.2.3, 2.2.4, and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance. These indicators (2.1.2, 2.2.3, 2.2.4, and 2.2.5) were declared to have low risk and unspecified risk with mitigation.

This conclusion is based on the strong legal and regulatory system found within the supply base (CE-DOC-008 FSC Controlled Wood Risk Assessment / CE-DOC-008a PEFC Due Diligence Risk Assessment). Federal, state and local laws and regulations are in place to address a wide range of indicators including, but not limited to, illegal harvesting, water quality, rare and endangered species, worker health and safety, labour rights and air quality. In addition to these laws and regulations, voluntary state forestry best management practices (BMPs) are in place to provide guidance to forest landowners and contractors on how to sustainably manage forests. The company has made these voluntary guidelines mandatory through contract language requiring the use of all BMPs. To further strengthen this conclusion, the company's contracts, policies and procedures require high standards to be met by its suppliers. These high standards are monitored, verified and documented using company checklists and forms.

Analysis using USDA Forest Service FIA data clearly shows the supply area's forests are growing more fiber and carbon stock than is being harvested. The company's supply base shows growth to harvest & mortality at a positive 1.23 for softwood and 1.34 for hardwood. Carbon stocks in the supply base increased 4.81% from the end of 2007 to 2014. This data along with economic impact studies indicate this company is a key part of the area's economy providing employment opportunities at the manufacturing site as well as throughout the supply area.

5 Supply Base Evaluation Process

The Supply Base Evaluation was completed in partnership with Greener Options Inc., a sustainability consulting company specializing in sustainable forest certification and Biological Integrity LLC, a consulting company specializing in conservation and biodiversity assessments.

Gary Boyd, Greener Options, Inc. is a SAF Certified Forester, a Georgia Registered Forester and an ISO 14001 Environmental Management Lead Auditor. Mark Hughes Ph.D., Biological Integrity LLC, is an accomplished wildlife biologist who has published more than 10 scientific articles, books and monographs. He has developed more than thirty (30) risk assessments for forest products companies addressing sustainable forestry certification schemes such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

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

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

CE requires the use of best management practices (BMPs), adherence to all laws and regulations and harvesting professional training as part of its contract with feedstock suppliers. CE personnel use various field verification systems for its primary suppliers and its other secondary feedstocks. Primary feedstock suppliers are verified at the forest level through on-site harvest and BMP inspections conducted by CE personnel. Overall sample size for these inspections is a maximum of 5 percent of all tracts supplying wood or a maximum of 24 samples per year, whichever is greater. Secondary feedstock suppliers are visited at least annually to confirm their supply base and the species they purchase for their operations.

6 Stakeholder Consultation

A list of thirty five (35) local and regional stakeholders was identified for consultation. These stakeholders represent interests from local contractors and businesses, local governments, state forestry and wildlife agencies, conservation organizations such as the Nature Conservancy, state forestry associations, local forest landowner associations, US Forest Service and US Fish & Wildlife Service. Two recognized indigenous peoples groups have been identified within the supply area and are included on the stakeholder list.

A letter was sent to the identified stakeholders on 2 May 2016 notifying them the intent of Colombo Energy, Inc. to become SBP certified and asking for input on their thoughts on the company's business practices and their impact on sustainable forestry in their area. Feedback was requested during the certification process via letter, email and/or telephone. All feedback will be reviewed and responses will be provided.

6.1 Response to stakeholder comments

As of 9 June three (3) stakeholders have responded to the initial notification letter sent out on 2 May 2016. Stakeholder's comments are supportive of CE's presence in the region and endorse certification. These comments are summarized below.

**Comment 1: Mr. Sandy Gresham, President
McCormick County Forestry Association**

Positive comments supporting the start-up of the wood pellet mill. Pleased to see CE getting certified. Association would like CE to speak at an upcoming Forestry Association meeting to answer questions about the mill and the fiber the company will be purchasing.

Response 1: Have not currently responded to letter, but plan to agree to speak at an upcoming meeting to talk about the wood pellet mill.

**Comment 2: Mr. Wallace Wood, Executive Director
Upper Savannah Land Trust**

Positive comments welcoming CE to the area. Look forward to CE providing a market for fiber from landowners in the area.

Response 2: Thanked Mr. Wood for his comments.

**Comment 3: Mr. Tim Adams, Director Resource Development Division
South Carolina Forestry Commission**

Positive comments about CE providing another market for wood in the state. Re-enforced the Commission's projects on Forest Inventory (13 million acres in SC) and BMP Compliance (>90% compliance).

Response 2: Have not currently responded to letter, but plan to in the near future and will invite SCFC to visit the facility.

7 Overview of Initial Assessment of Risk

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

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

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

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

The Supplier Verification Programme includes the following systems to verify that mitigation measures are in place:

- a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from high conservation value areas. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock.
- b. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists.
- c. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conservation value areas and the habitats/ecosystems these areas are located.
- d. The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if wood could come from high conservation value areas.

8.2 Site visits

For primary feedstock suppliers, the company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists.

The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist).

For secondary feedstock suppliers, the company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if wood could come from high conservation value areas.

8.3 Conclusions from the Supplier Verification Programme

Based on the results of the Supplier Verification Programme there is a strong legal and regulatory system found within the supply base (CE-DOC-008 FSC Controlled Wood Risk Assessment / CE-DOC-008a PEFC Due Diligence Risk Assessment). Federal, state and local laws and regulations are in place to address a wide range of indicators including, but not limited to, illegal harvesting, water quality, rare and endangered species, worker health and safety, labour rights and air quality. In addition to these laws and regulations, voluntary state forestry best management practices (BMPs) are in place to provide guidance to forest landowners and contractors on how to sustainably manage forests. The company has made these voluntary guidelines mandatory through contract language requiring the use of all BMPs. To further strengthen this conclusion, the company's contracts, policies and procedures require high standards to be met by its suppliers. These high standards are monitored, verified and documented using company checklists and forms.

9 Mitigation Measures

9.1 Mitigation measures

The Supplier Verification Programme to mitigate any unspecified risk that may have been determined from the risk assessment for indicators 2.1.2, 2.2.3, 2.2.4 and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance includes the following systems to verify that mitigation measures are in place:

- a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from areas where proposed forestry activity threatens high conservation values. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock.
- b. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists.
- c. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conservation value areas and the habitats/ecosystems these areas are located.
- d. The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if wood could come from high conservation value areas.

9.2 Monitoring and outcomes

For primary feedstock suppliers, the company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists.

The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist).

No outcomes have been determined as this system is just being implemented.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

No peer review of this report has been completed by other stakeholders. Due to the recent development and approval of the SBP standards, no other stakeholders with sufficient knowledge and experience with SBP certification could be identified in a timely manner.

11.2 Public or additional reviews

No additional external review of this report has been completed by other stakeholders. Due to the recent development and approval of the SBP standards, no other stakeholders with sufficient knowledge and experience with SBP certification could be identified in a timely manner.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Gary P. Boyd</i>	<i>Greener Options, Inc. Owner</i>	<i>9th June 2016</i>
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	<i>Ken Leach</i>	<i>Colombo Energy, Inc. Procurement Manager</i>	<i>9th June 2006</i>
	Name	Title	Date
Report approved by:	<i>Antonio Porto Monteiro</i>	<i>Business Unit Head</i>	<i>9th June 2006</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

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

13.1 Significant changes in the Supply Base

Sec 2.1 General Description:

Colombo Energy, Inc. (CE), a subsidiary of The Navigator Company began operation of a wood pellet facility in July 2016 with commissioning essentially completed in November or 2016. While wood purchases began in June 2016 for trials and commissioning, feedstock for the purpose of this report is reflected in purchases from November 21, 2016 to March 21, 2017. CE has a contract with Enviva to purchase its wood pellets at the Enviva port in Wilmington, North Carolina.

CE purchased primary feedstock from eighteen (18) counties; 7 counties in Georgia and 11 counties in South Carolina. All within the southeastern United States.

CE purchased its primary feedstock in the form of roundwood between November 21, 2016 and March 21, 2017. Private forest landowners accounted for 95% of the forestland while Federal lands accounted for the remaining 5%.

No hardwood roundwood was purchased as primary feedstock.

Sustainable forestry certification is present in CE's supply with 13% of purchases coming from SFI or ATFS certified sources in the period of this review.

CE purchased pine roundwood as its primary feedstock from twenty two (22) wood suppliers. No secondary was received but CE plans to include secondary supplies as production increases. Primary in-woods chips will also be incorporated in the future. Primary feedstock accounted for 100% of the total feedstock.

13.2 Effectiveness of previous mitigation measures

Sec 2.2 Final Harvest Sampling:

Master Wood Products Purchase Agreements signed by all 22 suppliers delivering to CE. A total of 33 BMP Compliance Reports completed since commencing wood purchase through 4/30/17, with 14 completed during the period from 11/21/16 to 3/21/16. Overall BMP implementation compliance of 97.3% and no BMP water quality related violations. (This is in line with South Carolina Forestry Commission reporting of 99% compliance for 2016). District of Origin was confirmed for all deliveries using the CE Track and Trace system in conjunction with BMP compliance checks. No wood was received from the 5 unacceptable sources as defined by the Forest Stewardship Council. No Secondary Suppliers used in sourcing to date. All wood received came from 62 SFI trained loggers; confirmed with training status on state logger training lists and

maintenance of CE-DOC-013 –Restricted Logger List. Approximately 27% of CE’s roundwood came from final fellings. The other 73% originated from thinnings.

13.3 New risk ratings and mitigation measures

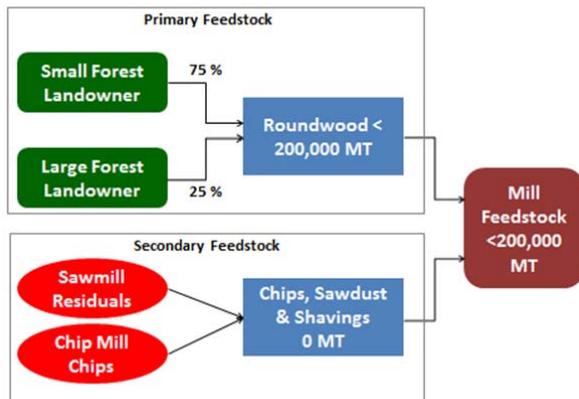
No new Risks Identified

13.4 Actual figures for feedstock over the previous 12 months

Sec 2.3

Band 1) Less than 200,000 tonnes; all primary feedstock pine Roundwood.

Sec 2.4



Sec 2.4

- Certified to an SBP-approved Forest Management Scheme: 13% (SFI)
- Not certified to an SBP-approved Forest Management Scheme: 87%

n. List all species in primary feedstock, including scientific name

Species List
<p>Primary Species: Loblolly Pine (<i>Pinus taeda</i>)</p> <p>Miscellaneous Species:</p>

Species List
Longleaf Pine (<i>Pinus palustris</i>)
Sand Pine (<i>Pinus clausa</i>)
Shortleaf Pine (<i>Pinus echinata</i>)
Virginia Pine (<i>Pinus virginiana</i>)

o. Volume of secondary feedstock: specify origin and type (based on mill capacity) -

Pine Chip Mill Chips	0 tonnes
Pine Residual Chips	0 tonnes
Hardwood Residual Chips	0 tonnes
Pine Sawdust	0 tonnes
Hardwood Sawdust	0 tonnes
Pine Shavings	0 tonnes

13.5 Projected figures for feedstock over the next 12 months

Band 2) 200,000 to 400,000 tonnes. Primary feedstock – pine - Roundwood 95%; In-woods chips 5%.