Public Notification Letter

FSC® Chain of Custody Controlled Wood Stakeholder Consultation

To: Interested Parties
From: SCS Global Services
Consultation period: 10-July to 21-August 2017
Re: Notification of intent to audit RedBuilt LLC against FSC Chain of Custody Controlled Wood standard FSC-STD-40-005 V3-0

The Forest Stewardship Council® (FSC) requires that a certification body conducting an audit of a certified organization or applicant must consult stakeholders whenever the audit includes intent to source and use uncertified material in an FSC Chain of Custody (CoC) program according to the requirements in FSC-STD-40-005 V3-0 “Requirements for Sourcing FSC Controlled Wood”. Therefore, SCS Global Services (SCS) is seeking input from interested and directly affected stakeholders regarding the relevance, effectiveness, and/or adequacy of RedBuilt LLC’s Due Diligence System (DDS).

An explanation of ‘FSC Controlled Wood’, as well as a copy of FSC-STD-40-005 V3-0, is available here: https://ic.fsc.org/en/certification/types-of-certification/controlled-wood-02; a copy of this standard is also available from SCS upon request.

Due Diligence Systems are required for certified organizations in order to avoid the sourcing and use of material originating from unacceptable sources in their FSC CoC program.

Directly affected stakeholders include any person, group of persons, or entity that is, with high probability, subject to the effects of the activities related to an organization’s controlled wood sourcing program, including the activities of their suppliers and sub-suppliers, as well as those who influence risk identified through the organization’s Due Diligence System.

This letter serves as SCS’ invitation to directly affected stakeholders to participate in our consultation process. This letter also serves as SCS’ public notification for any interested stakeholders, who are also invited to participate in the consultation process. Participation in this stakeholder consultation process is voluntary; stakeholders are not required to submit comments.

Scope of audit and audit details:
The audit will assess the conformity of the organization’s controlled wood program – including Risk Assessment(s) and DDS – according to the certification requirements as per FSC-STD-40-005 V3-0.

The company’s DDS Public Summary and Risk Assessment (excluding confidential information), as well as any other information or documents deemed relevant for the purpose of this stakeholder consultation, are included as appendices to this letter—see below. For a list of the information that is required to be publically available for stakeholder consultation by SCS, see FSC-STD-40-005 V3-0, Section 6.
Additional certificate holder information:
http://info.fsc.org/details.php?id=a0240000005sQvbAAE&type=certificate#result

Options for participation and provision of comments:
Please submit written comments and evidence (where appropriate) by mail, FAX or email to SCS:

SCS Global Services
Att’n: Julian Eldridge, Chain of Custody Certification Services
2000 Powell Street, Suite 600
Emeryville, CA 94608

Fax: 510-452-6882

Email: CWStakeholder@SCSGlobalServices.com

A summary of the stakeholder consultation and comments received will be made publically available on the FSC certificate database, as per FSC-STD-20-011 V4-0. Verbatim comments will only by published with prior consent from the stakeholder and will not be associated with stakeholder names.

Note that, while SCS is required to evaluate all information and comments objectively, SCS certification decisions are affected by stakeholder comments only insofar as the comments provide evidence of conformity or nonconformity to the applicable requirements.

Within 30 days of making our certification decision, SCS will respond to all stakeholders who provided comments to explain how their comments were taken into account.

Publically Available Information for FSC Controlled Wood Certificate Holders

INSTRUCTIONS

FSC® requires that organizations track their controlled material and publish specific findings. This form helps you meet the requirements in Section 6 of FSC-STD-40-005 V3-0 “Publically Available Information”.¹

<table>
<thead>
<tr>
<th>Operation Name</th>
<th>RedBuilt LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC COC Certificate Number</td>
<td>SCS-COC-001848</td>
</tr>
</tbody>
</table>

| Name of Authorized Representative (Contact information for person or position responsible for addressing complaints) | Christine Richey, CoC Adminstrator crichey@redbuilt.com |

| Procedure for filing complaints Note: for further details on complaints procedure, see section 7 in FSC-STD-40-005 V3-0 | a) Acknowledgement to compliantant via email; if not available, written response will be sent via USPS  
b) Forward complaint to responsible party  
c) Assess as ‘substantial’ or ‘not substantial’  
d) If deemed substantial:  
  - Initiate dialogue with Complainants  
  - Forward to SCS within 2 weeks  
  - Implement precautionary approach to sourcing  
  - Field or Desk verification within 2 months  
  - Determine Corrective Action Request (CAR)  
  - Verify if supply has addressed CAR  
  - If not addressed, exclude material and supplier  
  - Record and File complaint actions taken |

¹ This document is meant as guidance only, utilization of templates and guidance documents is no guarantee of conformity with FSC requirements. It is your organization’s responsibility to conform to relevant FSC requirements.
## Risk Assessment Summary

In the case that there are multiple risk assessments, copy and paste this table below for each assessment.

<table>
<thead>
<tr>
<th>Description of Supply Area</th>
<th>United States including Washington and Oregon Canada including British Columbia and Alberta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference to the applicable Risk Assessment</td>
<td>FSCRiskAssessmentRedBuilt-June2017.doc</td>
</tr>
</tbody>
</table>

Submit applicable risk assessment (excluding confidential information) in a separate document

### Risk Designations Summary

For any category not rated as “Low” please fill in control measures by risk assessment indicator

In order to select a checkbox, “double-click” on the box, and select default value as “checked”.

<table>
<thead>
<tr>
<th>Overall Risk Designation for the Supply Area</th>
<th>☐ Unspecified (see below for unspecified risk designations) ☒ Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Illegally harvested wood</td>
<td>☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Overall Risk Designation:</td>
<td>1.1 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Control Measures per indicator (if applicable)</td>
<td>1.2 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td></td>
<td>1.3 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td></td>
<td>1.4 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>2. Wood harvested in violation of traditional and human rights</td>
<td>☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Overall Risk Designation:</td>
<td>2.1 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Control Measures per indicator (if applicable)</td>
<td>2.2 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td></td>
<td>2.3 ☐ Unspecified ☒ Low</td>
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<td></td>
<td>2.4 ☐ Unspecified ☒ Low</td>
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<td></td>
<td>2.5 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>3. Wood harvested from forests in which high conservation values are threatened by management activities</td>
<td>☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Overall Risk Designation:</td>
<td>3.1 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Control Measures per indicator (if applicable)</td>
<td>3.2 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</td>
<td>☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Control Measures (if applicable)</td>
<td>4.1 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>5. Wood harvested from forests in which genetically modified trees are planted</td>
<td>☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Control Measures (if applicable)</td>
<td>5 ☐ Unspecified ☒ Low</td>
</tr>
<tr>
<td>Stakeholder Consultation Summary</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td>✗ N/A No stakeholder consultations conducted</td>
<td></td>
</tr>
</tbody>
</table>

Summary of the consultation process(es) performed according to Annex B of FSC-STD-40-005 V3
**Expert Engagement Summary**

<table>
<thead>
<tr>
<th>N/A No expert engagement conducted</th>
</tr>
</thead>
</table>

Information on the engagement of one or more experts in the development of control measures in accordance with Annex C of FSC-STD-40-005 V3

Note: For individual experts this includes the names of the experts, their qualifications, their license/registration number (if applicable), and the scope of their services. For publically available expertise, the specific sources of information shall be cited.
### Summary of Field Verification

(undertaken as a control measure)

- **N/A** No field verifications conducted as control measures

<table>
<thead>
<tr>
<th><strong>A summary of the organization’s findings from field verification undertaken as a control measure, and steps taken by the organization to address identified non-conformities where they occurred, unless confidential. The organization shall provide a justification for the exclusion of confidential information.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note:</strong> The confidential nature of the information may be determined by the legislation that the organization must be in compliance with. Commercially sensitive information, and the names of individual landholders may be treated as confidential.</td>
</tr>
</tbody>
</table>
Purpose

The purpose of this FSC Controlled Wood Risk Assessment conducted by RedBuilt, LLC for its Stayton, OR manufacturing facilities is to assess and report the risk of sourcing wood and fiber from any of the “Uncontrolled” sources as defined by the Forest Stewardship Council (FSC) Controlled Wood Standard.

Executive Summary

RedBuilt, LLC’s FSC System Administrator/designee is responsible for accessing the FSC websites contained in Annex 2 of FSC-STD-40-005 and comparing RedBuilt, LLC’s wood supply regions and districts against any published and known areas of concern. The specific Countries, States and Provinces and Counties where wood material is sourced are attached in Appendix A.


The WWF Eco-regions for the US States of Washington and Oregon and the Canadian Provinces of British Columbia and Alberta and Districts of Origin include: NA0417, NA 0501, NA 0502, NA 0505, NA 0506, NA 0507, NA 0508, NA 0510, NA 0512, NA 0516, NA 0518, NA 0522, NA 0524, NA 0608, NA 0802, NA 0813 and NA 1309. The WWF maps of the Eco-regions in the U.S. and Canada are also contained in Appendix B and are available at the following website: http://www.worldwildlife.org/publications/terrestrial-ecoregions-of-the-world. Additional maps showing Districts of Origin of procurement wood are also included in Appendix B.

Based upon the various risk assessments that have been conducted involving a review of all relevant websites, assessment of the Eco-regions and the wood supply areas “Districts of Origin” of RedBuilt, LLC’s manufacturing facilities in Stayton, Oregon, all sources of wood supply are considered “Low Risk.” Therefore, no further verification monitoring or review is necessary. All wood coming into RedBuilt, LLC’s two facilities is considered “controlled wood” and can be mixed with FSC certified material or claimed as “FSC Controlled Wood.”

The finding that wood from the U.S. and Canada is “low risk” of originating from FSC Uncontrolled Sources is further reinforced by the recently released report from the American Hardwood Export Council (AHEC) entitled: “Assessment of Lawful Harvesting & Sustainability
of US Hardwood Exports.” The report addresses the hardwood Eco-regions and was co-authored by then FSC US consultants Dr. Gary Dodge and Phil Guillery. The report finds that:

“We can conclude that hardwood procured from anywhere in the Hardwood States could be considered Low Risk in all five risk categories of the standard. Minor and occasional instances contrary to this finding are present in one or more of the risk categories, and where they do occur, they should be further evaluated by companies procuring wood in those areas. However, we determine the level to be within the threshold for being low risk through our interpretation of the FSC standard and its requirements.

A Controlled Wood Risk Assessment Summary that meets the requirements of the FSC Advice Note addressing the availability of a Public Summary (FSC-ADV-40-016) is included in Appendix C.
Controlled Wood Risk Assessment
RedBuilt, LLC

Background
The FSC Controlled Wood Standard (FSC-STD-40-005 V3-1) is designed to allow companies like RedBuilt, LLC to avoid trading in illegally harvested wood, wood harvested in violation of traditional and civil rights, wood harvested in forests where high conservation values are threatened by management activities, wood harvested in forests being converted to plantations or non-forest use, and wood from forests in which genetically modified trees are planted.

Compliance with the standard allows companies to supply FSC Controlled Wood to FSC Certified chain of custody companies for the purpose of mixing with FSC certified material. It allows companies to demonstrate that they are implementing best efforts to avoid the trade in illegally harvested timber, in support of the International Forest Law Enforcement, Governance and Trade (FLEGT) program.

The term ‘controlled wood’ was created by FSC in 2004 to define the criteria of ‘unacceptable’ wood. Version 2-1 includes amendments to clarify inconsistencies in previous Versions of the Standard and was approved by the FSC Executive Director in April 2007.

The FSC Standard requires companies to take a precautionary approach. Any wood supply area or region is therefore considered high risk until low risk can be determined in line with the requirements of Section 1.1 of the FSC Controlled Wood Standard through a proper risk assessment. Consistent with the precautionary approach, this risk assessment identifies the specific Countries, States and Provinces, Counties and TNC and WWF Eco-regions from which wood is sourced. The Counties and Eco-regions are sufficient delineations of “Districts of Origin” under the FSC Controlled Wood Standard. The Nature Conservancy and WWF Eco-regions were utilized for purposes of conducting this Risk Assessment.

This Risk Assessment also accessed the FSC US website (https://us.fsc.org) for additional guidance addressing the five categories of unacceptable sources of wood and fiber. The conclusions of the FSC US guidance are highlighted in the indented text at the conclusion of each of the section outlined below.

This Risk Assessment is consistent with the FSC Guidance Document (FSC-GUI-60-002 V.1-0) addressing FSC Controlled Wood Risk Assessment by FSC National Initiatives. The Guidance aims to support FSC accredited National Initiatives that voluntarily provide risk assessments of a given country or district and provides valuable supporting information. It is also consistent with the FSC Risk Assessment Toolkit and associated Risk Registries for the U.S. and Canada contained at the FSC website (https://ic.fsc.org/en/certification/requirements-guidance/guidance).

This Risk Assessment is intended to comply with the requirements of FSC-DIR-40-005, Advice 19 with information provided from the list of applicable National and US laws compiled by FSC listed in Advice 19.
For each FSC Controlled Wood category, as outlined in Part 1 Section 1.1 of the FSC Controlled Wood Standard, this risk assessment also investigates all of the websites contained in Annex 2 addressing the Approach and Criteria for Assessing Risk. Thus, this risk assessment addresses all of the available information addressing the sources of origin at the level of the Counties and Eco-region as outlined by The Nature Conservancy and WWF.

1. Illegally Harvested Wood

The FSC Controlled Wood Standard states that illegal harvesting is a potentially broad term that is difficult to define. For the purposes of evaluating risk in a given district, the term needs to be interpreted in a way that is measurable and meaningful. An area shall be considered with unspecified risk when illegal harvesting is a threat to the forest, people and communities. Minor infractions and issues such as minor geographical deviations from the allotted area of harvesting, filing of paperwork late or small infractions related to transport should not make an operation or district with “unspecified risk.”

The FSC Controlled Wood Standard further states that illegal harvesting is unlikely to occur systematically in areas where there is good forest related governance. Governance-related criteria are therefore used to assess risk for illegal harvesting for a given district. These criteria will initially include:

- Perceived level of corruption related to forest activities
- Degree of transparency about information that is likely to reveal or reduce illegal harvesting if made public
- Degree to which key data and documents relevant to illegal harvesting exist and are of satisfactory quality
- Independent reports about illegal harvesting.

The Requirements related to illegally harvested wood include the following sections 1.1 through 1.4.

1. The district of origin may be considered low risk in relation to illegal harvesting when the following indicators related to forest governance are present:

1.1 Evidence of enforcement of logging related laws in the district.

All wood harvested within RedBuilt, LLC’s wood supply areas is legally harvested and there is negligible evidence of illegally obtained wood. Law enforcement in RedBuilt, LLC’s Districts of Origin is active, aggressive and precludes widespread illegal logging.

www.illegal-logging.org: This website addresses worldwide illegal logging activities and efforts underway to curtail it. There is nothing on the website affecting RedBuilt, LLC’s wood supply area. Illegal harvesting in Papua New Guinea is the focus of this website.

The website identifies the U.S. and Canada as global leaders in addressing the problem of deforestation. The State Department is working with other Federal agencies, the states, and US business, environmental and labor interests to promote this goal through global institutions and international negotiations, agreements and initiatives. Among these are the United Nations

www.eia-international.org: The focus of this website is on the trading of illegal wood. Because all RedBuilt, LLC wood originates from the Eco-regions identified above and many of the loggers are trained under the SFI Program, there is a “low risk” of illegal logging. In addition, there is strong evidence of law enforcement within the districts of origin. Law enforcement in the U.S. and Canada is the most effective in the world.

The minimum list of applicable laws developed by FSC-US to satisfy the requirements of FSC-DIR-40-005 is listed in Advice 19.

1.2 There is evidence within the district that demonstrates the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.

RedBuilt, LLC is committed to legal compliance and does not procure wood from any suspected areas. There is clear evidence that the U.S. States and Canadian Provinces and the Eco-regions identified above where RedBuilt, LLC procures wood have effective systems for granting licenses and harvesting contracts. Government enforcement of timber security and enforcement is robust and effective.

The company does not import tree species that are on the CITES list or that comes from the regions of the world identified as having problems with illegal wood harvests.

www.dfid.gov.uk: This site addresses efforts of the British Government to fight worldwide poverty. Their efforts do not include the U.S. and Canada

http://ec.europa.eu/europeaid/eu-action-plan-forest-law-enforcement-governance-and-trade-flegt_en: This site details the European Union’s Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT). The EU is developing a licensing scheme for wood coming into the EU and proposes to cooperate with the U.S. AND CANADA to thwart the trade in illegally harvested timber.

1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.

RedBuilt, LLC is not aware of any systematic illegal harvesting resulting in a threat to forests, people or communities within its wood supply areas. Law enforcement officials continually monitor the potential for and reports of illegal logging. No recent illegal harvesting has been detected and RedBuilt, LLC is not aware of any of its suppliers having been convicted of illegal harvesting.

RedBuilt, LLC takes precautions to ensure that delivered wood is not from illegal source through its wood delivery system and checking transport documentation at RedBuilt, LLC manufacturing facilities.
www.eldis.org: This site lists regions of the world where illegal logging is occurring and causing problems. The wood supply areas of RedBuilt, LLC are not included.

www.globalwitness.org: This site addresses illegal logging in the developing nations of the Pacific Rim, Africa, and South America. No issues were identified for RedBuilt, LLC’s wood supply areas.


The website cites a study conducted by Seneca Creek Associates and Wood Resources International which examined the flow of suspicious roundwood into lumber and plywood and found that it depresses world wood prices by 7-16 per cent on average, depending on the product. Were there no illegally harvested wood in the global market, the study estimates the value of U.S. wood exports could increase by over US$460 million each year. Thus, illegal logging is hurting the U.S. forest and paper industry, and no instances of illegal logging in the U.S. were cited.

1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.

RedBuilt, LLC is not aware of any corruption in the granting or issuing of harvesting permits in the U.S. States and Canadian Provinces where the company procures wood. Law enforcement of trespass and timber theft precludes illegal logging within the wood supply area. The company has obtained written declarations from some of its suppliers that they will not knowingly supply wood from illegally harvested sites.

The U.S. and Canada have been recognized for good governance according to the World Bank indicators of governance including: voice and accountability, political stability and absence of violence, government effectiveness, regulatory control, rule of law, and control of corruption. The U.S. and Canada were considered in the 90% percentile or higher in all categories.

A recent Technical Bulletin 966 (September, 2009) issued by the National Council for Air and Stream Improvement (NCASI) has reported high levels of compliance with water quality laws and BMP requirements across the U.S. and Canada. The report states that forest certification programs in North America recognize water resource protection as an important aspect of sustainable forest management. As a result, certification programs include requirements to implement BMPs and encourage their use.
The NCASI report addresses questions about forestry BMPs that have been raised by NCASI members and other stakeholders in forest certification programs. How and why do BMPs vary among jurisdictions? How do states and provinces determine whether BMPs have been implemented? To address these questions, NCASI reviewed BMPs that are recommended or required by 44 U.S. states and 10 Canadian provinces. NCASI also reviewed efforts by states and provinces to monitor BMP implementation rates.

A key finding is that BMPs throughout North America are based on a common set of science-based principles. Variation in BMPs among jurisdictions is attributable to efforts by states and provinces to apply general principles to their own circumstances.

High rates of BMP implementation have been documented in jurisdictions that have made substantial investments in BMP education and monitoring. Some jurisdictions have determined that forestry is a minor source of water quality problems and are reluctant to allocate scarce resources to monitoring implementation of forestry BMPs.

In addition, four of the five veneer and OSB suppliers to RedBuilt, LLC are independently certified to the SFI Standard (2005-2009) or the FSC Chain of Custody Standard. Certification to these Sustainable Forestry Standards provides objective evidence that compliance with the law and applicable regulations is being achieved. Copies of supplier SFI and FSC Certificates are available for inspection upon request.

www.transparency.org. Transparency International addresses corruption, bribery and other illegal activities. No issues were identified addressing forestry and wood procurement in the U.S. States and Canadian Provinces where the company procures wood material.

The FSC US Draft Guidance document on Controlling Wood Sources concludes that:

“There have been international assessments of illegal logging from the World Wildlife Fund (WWF), Seneca Creek Associates, and Wood Resources International. These organizations have identified the areas where they have evidence of systematic illegal logging. These areas do not include the U.S. and Canada. In addition, the U.S. and Canada score high in measures of good governance such as offered by Transparency International and the World Bank. See http://data.worldbank.org/data-catalog/worldwide-governance- indicators for good governance data compiled by the World Bank and http://www.transparency.org/policy_research/surveys_indices/cpi for Transparency International indices.

“It is arguable that illegal logging is a problem in the United States. However, when compared to the global situation, relatively, illegal logging in this country is of such small magnitude or frequency that it cannot be considered to be systematic in any areas of the U.S. In addition, any illegal logging that does occur is often prosecuted or the rightful owner has means to remedy the situation.”
The AHEC Legality Study, written by the same authors that prepared the Draft Guidance on Controlled Wood Sources for FSC US, 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.”

CONCLUSION: Based upon the risk assessment and evaluation of the FSC websites, it has been determined that there is a “low risk” that any wood sourced into RedBuilt, LLC’s facilities is illegally harvested. Additionally, the DRAFT National Risk Assessment by FSC has deemed this indicator as LOW risk.
2. Wood harvested in violation of traditional and civil rights.

The FSC Controlled Wood Standard states that civil rights are the rights that every person in a society has, for example to be treated equally, to be able to vote and work. These rights are usually outlined in the country’s constitution.

Traditional rights are rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit. An example of a traditional right related to forests is access by local communities to forest areas to visit sacred and ritual sites.

Requirements related to wood harvested in violation of traditional and civil rights.

2. The district of origin may be considered low risk in relation to the violation of traditional and civil rights when the following indicators are present.

2.1 There is no UN Security Council ban on timber exports from the country concerned.

There are no bans on timber exports from RedBuilt, LLC wood supply areas in the States of Washington and Oregon and the Canadian Provinces of Alberta and British Columbia. (Note. The websites listed in Annex 2, Section 2, address Africa and Asia and are not relevant to the U.S. and Canada and will not be identified or repeated here. The FSC National Initiatives and Regional Offices were reported by FSC supporters as not being in a position to provide detailed assistance in this area.)

2.2 The country or district is not designated a source of conflict timber (e.g. USAID Type 1 Conflict Timber).

RedBuilt, LLC wood supply areas in the States of Washington and Oregon and the Canadian Provinces of Alberta and British Columbia are not designated within a country or district that is a source of conflict timber as identified by US AID.

2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.

RedBuilt, LLC’s wood supply areas do not experience child labor or violation of ILO Principles and Rights. The jurisdictions where RedBuilt, LLC procures wood material have comprehensive laws prohibiting the use of child labor or violating citizen’s rights.

2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned.
U.S. and Canadian laws preclude such violations and there are recognized processes in place to resolve conflicts over traditional rights and cultural interests. While First Nation’s claims exist in portions of the Canadian Provinces of Alberta and British Columbia, the Provincial governments have established formal procedures and processes for all parties to resolve their disputes and land claims. Given the government sanctioned and documented processes in place to address traditional rights, there is a low risk that violations of traditional rights would occur within RedBuilt, LLC’s wood supply areas.

The FSC US in its Draft Guidance on Controlled Wood Sources has concluded that:

“Within the U.S. there is no UN Security Council ban on timber exports, the areas are not designated as a source of conflict timber, child labor does not occur systematically, and ILO Fundamental Principles and rights at work are generally respected. In addition, the U.S. has recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity.”

“In the U.S., Native Americans with a land base are recognized as Sovereign Nations and accorded rights to manage their land and affairs. In addition, Native Americans have an equitable process to resolve conflicts over land management. Through the U.S. court system, many Native American tribes have challenged, won decisions, and resolved issues concerning land management and use rights. There are many examples within the U.S. where tribes have successfully been able to exercise treaty rights through formal and informal conflict resolutions systems.”

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

“We come to the conclusion that wood procured in the study area can be considered Low Risk of violating traditional and civil rights. This conclusion is based on the determination that there is no UN Security Council ban, there is no evidence of prolific child labor, there is no evidence that ILO Fundamental Principles are not respected, and there are recognized and equitable processes in place to resolve conflicts of substantial magnitude.”

CONCLUSION: Based upon the risk assessment and evaluation of available information, there is a “low risk” that any wood that is sourced into RedBuilt, LLC’s facilities is in violation of traditional and civil rights.
3. Wood harvested from forests in which high conservation values are threatened by management activities.

This risk assessment first assesses if there is any high conservation values threatened at the eco-region level. FSC notes that threat in the context of the FSC Controlled Wood standard means having an uncertain chance of continued survival or presence of High Conservation Values (HCVs) at eco-region level.

The risk that forest management operations will threaten High Conservation Values (HCVs) in a forest will be higher if a) there is an abundance of high conservation values (such as genetic diversity, species diversity, intactness, endemism and habitat and ecosystem diversity) in the eco-region, and/or b) High Conservation Values (HCVs) in the eco-region are already under threat. Many organizations have spent considerable efforts in identifying those areas of the planet (eco-regions or complexes of eco-regions) that are a priority for conservation due to abundance of the above mentioned High Conservation Values (HCVs) and the threats to them.

Two indicators are offered in this section of Annex 2 to determine the risk related to High Conservation Values (HCVs). For the first, eco-regions that are threatened can be identified through the supporting information that references, but is not limited to, the work of WWF, Conservation International, IUCN and WRI and Greenpeace. The second indicator (the presence of a strong system of protection) is included to identify areas that can be considered low risk because protection schemes, such as protected areas, legal systems and enforcement which ensure the continued presence of High Conservation Values (HCVs) in the eco-region.

High Conservation Values (HCVs) that provide basic services of nature in critical situations and those that are fundamental to meeting basic needs of local communities can be considered low risk, if indicators 3.1 and/or 3.2 are met and indicator 2.4 are met. That is, there are recognizable and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned.

The intent of Criterion 3.1 is to ensure that large-scale logging does not pose an inordinate risk to forests that are global, regional or national high conservation priority. The intent is not necessarily to eliminate logging from these areas. For example, well-managed forests can provide both habitat security and a practice conservation effort for these areas.

The second intent of Criterion 3.1 is to ensure that large-scale logging does not pose a risk to the cohesion of the large, landscape-level forests that represent or are part of native, large-scale ecosystems with limited direct human impact. These forests represent habitat for native species in historically natural or nearly natural patterns of distribution or abundance. This includes habitat for both species populations that require large land bases and those that are sensitive to human activities and human-caused fragmentation.

Criterion 3.2 is included in the controlled wood standard to recognize that in many regions, strong systems are in place to protect global environmental conservation priorities. If Criteria 3.1 cannot be met, then compliance with Criterion 3.2 can demonstrate that the district or region may be considered low risk for HCVF.
The intent of Criterion 3.2 is to ensure that a comprehensive legal and regulatory system is present to regulate the survival of the globally significant concentrations of biodiversity values, ecosystems, and services of nature. This includes the comprehensive legislation in the U.S. covered by the Clean Water Act, Endangered Species Act, Clean Air Act, Federal Insecticide, Rodenticide and Fungicide Act (FIFRA), and other laws. These laws provide sufficient protection of biodiversity values, along with national, state and local reserves, protected areas and recreation areas.

3.1: Forest management activities in the district do not threaten eco-regionally significant high conservation values.

The first step in the assessment is to identify ecoregionally High Conservation Values (HCVs). The standard requires determination if timber operations pose a threat to ecoregionally significant HCVs. Some sources of information have identified prominent threats to ecoregions. Users of the standard can refer to these expert assessments of prominent threats to determine risks from timber harvesting.

Additionally, just because a forest products company sources from an ecoregion determined to have a higher concentration of biodiversity values (e.g. CI hotspot, WWF Global 200 ecoregion, or IUCN Centre of Plant Diversity) does not mean that the source is high risk. It just requires closer investigation into the risk.

For example, wood harvested within High Conservation Value Ecoregion (WWF designation as a Global 200 ecoregion) may be argued to be low risk due to existing legal structures, harvest practices, public land ownership, and protection. This is evidenced in the WWF assessment and the ecoregional conservation status of “vulnerable” rather than “critical/endangered.”

The same process applies to ecoregions identified to have large, intact landscape level forests (e.g. as defined by WRI or GreenPeace). Just because these forests exist in an ecoregion doesn’t imply that timber harvest in the ecoregion is high risk. For example, intact forests (as identified by GreenPeace) in Northern Minnesota in the U.S. lie nearly entirely within the Boundary Waters Canoe Area Wilderness. Thus, one could argue that timber harvests in the ecoregion are not a threat due to ample protection.

RedBuilt, LLC has evaluated “threat” in the context of the forests having an uncertain chance of continued survival or presence at the eco-region level. The Company assessed websites referenced on the FSC Controlled Wood Toolkit to identify significant treats. The websites included:

1. Conservation International Biodiversity Hotspots (No Hotspots identified),
2. WWF Global 200 Ecoregions (Website Not Active),
3. Smithsonian Institution/IUCN Centers of Plant Diversity (NA16e - Western North America: California, Oregon, Washington and British Columbia – limited to Northern California),
4. High Biodiversity Wilderness Areas identified by Conservation International (California Floristic Zone Only),
5. Global Forest Watch Frontier Forests (No or Slight Limitations),
6. Greenpeace Identified Intact Forests (Outside of License and Commercial Forestry Areas), and

Based upon a review of the above websites and reports, forest management activities in the districts of origin do not “threaten” eco-regionally significant high conservation values.

In addition, RedBuilt, LLC believes that a strong system of forest protection is in place in the U.S. and Canada. All States and Provinces have Best Management Practices for the protection of water quality and beneficial uses as well as threatened and endangered species laws and protections to ensure that conservation values are not threatened.

Protection and reserve areas are in place to ensure the survival of any HCVs that may be identified in the eco-regions. Therefore, none of the forests within the wood supply areas of RedBuilt, LLC are considered “threatened.”

3.2: A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCV’s in the eco-region.

The U.S. States and Canadian Provinces where the company indirectly sources wood material have strong regulations and systems for protection addressing threatened and endangered species and HCVs. The States and Provinces within the wood supply areas have extensive protected areas and conservation reserves that serve to ensure the survival of HCVs across the eco-region. The Protected Areas of Canada shows extensive reserve areas sufficient to protect High Conservation Values (http://www.ec.gc.ca/default.asp?lang=En&n=FD9B0E51-1), (http://www.ccea.org/).

The States also have extensive laws and regulations to protect water quality and provide natural areas for the protection of native biodiversity. Those State laws and regulations are accessible through the state agency websites including: (http://forestry.about.com/library/law/bllawtoc.htm?once=true&).

The US has excellent data about protected open space that is critical for conservation and land use planning, decisions about acquiring lands or easements, access to recreation opportunities, program evaluation and much more.

While there has been significant progress inventorying federal, state, local and non-governmental holdings of open lands, the US still needs improvements that will capture all protected areas and key data about them, and do so reliably, year after year - an ongoing Protected Areas Database of the United States (PAD-US).

The US Protected Area Database contains information about protected lands: (http://www.protectedlands.net/data/).
In addition to parks and reserve areas, other public lands provide considerable conservation values. Federal agencies in the U.S. are required by Section 7 of the Endangered Species Act to protect and recover listed species. Habitat Conservation Plans are required for any potential “taking” of T&E species on public and private lands.

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

The U.S. is a signatory to the Convention on Biological Diversity; however, it has not been ratified by the Senate.

The FSC US in its Draft Guidance on Controlled Wood Sources concluded that:

“Only in cases where an area is determined to be an HCVF, and threats to the area are high (and protection low), would an on-the-ground assessment be in order to verify the impact of the harvesting operation on the values that make conservation of the area important. This is likely not to be needed for the majority of forests in the U.S.”

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

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

**CONCLUSION:** Based upon the evaluation of the Eco-regions that are within the wood supply areas of the RedBuilt, LLC’s manufacturing facilities, the Company has concluded that there is “low risk” that forest management activities associated with supplying wood to its facilities threaten eco-regionally significant high conservation values. Where any threats may occur, there are strong regulatory and private sector systems for the protection of such areas.

While some eco-regions may contain High Conservation Values as interpreted by some, they are unlikely to be threatened by forest management activities and protected areas ensure their long-term survival.
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses

RedBuilt, LLC believes that the intent of this category is to avoid wood coming from regions where there is a significant occurrence of deforestation of “natural and semi-natural forests.” Based on direct knowledge of the wood supply area, there are no portions that are experiencing significant deforestation.

Likewise, the “Natural” and “Semi-Natural” Forests where RedBuilt, LLC procures its wood material are not being converted to other uses or plantations on a large scale. Land use conversion that does occur is regulated and controlled through comprehensive plans.

The FSC Regional Standards define Natural and Semi-natural forests as:

**Natural forest:** A forest ecosystem with most of the principal characteristics and key elements of native ecosystems, such as complexity, structure and diversity. Natural forests may lack the abundance of mature trees and freedom from human disturbance that characterize primary forests.

**Semi-natural forest:** A forest ecosystem with many of the characteristics of native ecosystems present. Semi-natural forests exhibit a history of human disturbance (e.g., harvesting or other silvicultural activities), are very common in the United States, and include a considerable amount of unmanaged and most of the managed forest land other than plantations.

RedBuilt, LLC has concluded that it does not source wood from forests defined by FSC as “Natural.” Thus, the company cannot be contributing to the conversion of these primary forests. It has also concluded that its primary source of wood comes from Semi-natural forests. These semi-natural forests are maintained through natural regeneration and uneven-aged management regimes.

In addition, Forest Inventory and Analysis figures for the wood supply area as a whole indicate that the growth of the forest generally exceeds removals. A positive growth vs. drain ratio is a good indication that forested areas are not being converted at a significant rate. Thus, there is no risk of significant rate of loss of semi-natural foresters across RedBuilt, LLC’s wood supply area.

Links to state forestry assessments and statistics are available through the National Association of State Foresters (NASF) and are accessible from the following website: [http://www.stateforesters.org/](http://www.stateforesters.org/)

4.1: There is no net loss AND no significant rate of loss of natural forests and other natural wooded ecosystems such as savannahs taking place in the district of origin.

Based upon a review of Forest Inventory and Analysis Reports produced by the U.S. Forest Service, the growth of the forests in the States where RedBuilt, LLC procures wood generally exceeds withdrawals, thus indicating that there is “no net loss” and no significant rate of loss of forests across the company’s fiber supply area. However, the FIA data do not distinguish
between the loss of natural and semi-natural forests and other degraded forests. Much of the forestland in the U.S. and Canada has been managed for over two hundred years and the degraded forests are the ones being reforested to plantations.

Few if any of the replanted forests within the districts of origin would be considered conversions to plantations as defined by the FSC. Plantations are interpreted by the FSC to be devoid of in-growth and consist of mono-cultures of planted clones of conifers.

The United Nations Food and Agriculture Organization's (FAO) State of the World's Forests 2001 reports that North American forest (U.S. and Canada) cover expanded nearly 10 million acres (4 million hectares) over the last decade. Thus, there is low risk that forested ecosystems in the U.S. are experiencing loss.

RedBuilt LLC does source from one Eco-region (The Puget Lowland Forest) that has been identified in the American Hardwood Export Council (AHEC) study as exceeding acceptable limits in terms of conversion of Red Alder forests. However, RedBuilt LLC does not source Red Alder species and therefore does not contribute to the conversion of Red Alder forests to other uses or plantations.

The FSC US in its Draft Guidance on Controlled Wood Sources has concluded that:

“The intent of the criterion in the Controlled Wood standard is to avoid wood harvested from conversion where natural forest cover is threatened at an eco-region scale. Only when this threshold is past does one need to avoid wood from particular harvests that might lead to conversion.”

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

“Two of the eco-regions (at the province level) in the study area have negative trends in natural forest cover that exceed 0.5%. The Puget Lowland Mixed Forests and the Everglades are determined to be NOT LOW RISK for conversion. The remainder of the study area is determined to be LOW RISK for conversion.” RedBuilt does not source the species of concern in the Puget Lowland Mixed Forest is therefore a Low Risk of converting that species to other uses or plantations.

CONCLUSION: Based upon the analysis of all available information and the evaluation of the Eco-regions from which its wood originates, RedBuilt, LLC has determined that there is “low risk” that the company’s wood procurement contributes to a significant rate of loss of “natural forests and other natural wooded ecosystems” for the species that is purchases.
5. Wood from forests in which genetically modified trees are planted.

The district of origin may be considered “low risk” in relation to wood from genetically modified trees when either:

- There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned. Or
- Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use. Or
- It is forbidden to use genetically modified trees commercially in the country concerned.

International groups have general consistency regarding the term GMO to ensure that it is not confused with hybrids, cultivars, and breeds, which are derived from traditional breeding programs. A GMO is an organism that has been transformed by the insertion of one or more genes (called transgenes). Often the inserted genes are from a different species than the recipient organism. Genetic modification does not include traditional breeding or natural hybridization, i.e. GM trees cannot be obtained through conventional tree breeding methods.

There is a single synthesis document that provides an up to date (as of 2004) evaluation of forest GMO (Genetically Modified Organisms). Currently, the only commercial user of GMO trees is China and only a single species, Populus nigra (Black Poplar, Lombardy Poplar).

The majority of GMO tree research takes place in the U.S. and Canada. As of 2004, there were field trials of multiple genera, but no commercial plantings.

RedBuilt, LLC did not find its wood supply areas on any lists contained in the FAO preliminary review of biotechnology in forestry: [http://www.fao.org/docrep/008/ae574e/AE574E00.HTM](http://www.fao.org/docrep/008/ae574e/AE574E00.HTM).

There are no commercial uses of genetically modified trees taking place across the wood supply area. RedBuilt, LLC is therefore confident that its wood supply does not source wood from forests in which genetically modified trees are planted.

The FSC in its Draft Guidance on Controlled Wood Sources has concluded that:

“At this time all wood sourced in the U.S. can be considered to not contain wood from GMO trees.”

**CONCLUSION:** Based on an analysis of available information, there are no genetically modified trees planted in the United States (RedBuilt, LLC’s district of origin). Therefore, RedBuilt, LLC has concluded that there is “no risk” that the wood sourced into RedBuilt, LLC’s facilities comes from forests where genetically modified trees have been planted. Additionally, the DRAFT National Risk Assessment by FSC has deemed this indicator as LOW risk.
Appendix A

Districts of Origin

RedBuilt, LLC purchases wood from the following U.S. States and Counties and Canadian Provinces. Ecoregions, procurement areas and Forest Management Units (FMUs) are further identified and delineated on the Maps in Appendix B.

<table>
<thead>
<tr>
<th>County</th>
<th>State</th>
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</thead>
<tbody>
<tr>
<td>All</td>
<td>Washington</td>
</tr>
<tr>
<td>Clatsop</td>
<td>Oregon</td>
</tr>
<tr>
<td>Columbia</td>
<td>Oregon</td>
</tr>
<tr>
<td>Tillamook</td>
<td>Oregon</td>
</tr>
<tr>
<td>Washington</td>
<td>Oregon</td>
</tr>
<tr>
<td>Yamhill</td>
<td>Oregon</td>
</tr>
<tr>
<td>Clackamas</td>
<td>Oregon</td>
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<tr>
<td>Lincoln</td>
<td>Oregon</td>
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<tr>
<td>Polk</td>
<td>Oregon</td>
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<tr>
<td>Marion</td>
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<tr>
<td>Benton</td>
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<td>Linn</td>
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<td>Lane</td>
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<td>Douglas</td>
<td>Oregon</td>
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<tr>
<td>Coos</td>
<td>Oregon</td>
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<tr>
<td>Jefferson</td>
<td>Oregon</td>
</tr>
<tr>
<td>Deschutes</td>
<td>Oregon</td>
</tr>
<tr>
<td>Crook</td>
<td>Oregon</td>
</tr>
</tbody>
</table>

Canadian Provinces

British Columbia
Alberta
Appendix B

The Nature Conservancy & WWF Eco-regions for Alberta, British Columbia, Washington and Oregon
## FSC Controlled Wood Risk Assessment Summary

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>FSC CW certificate code:</td>
<td>SCS-COC-001848</td>
<td>Date of CB approval:</td>
<td>Insert Date of CB Approval</td>
</tr>
</tbody>
</table>
| Date of risk assessment: | Initial Date: September 2009  
Most Recent Revision: January 2017 | Address of CB: | Scientific Certification Services  
2200 Powell St. Suite 725  
Emeryville, CA 94608 |
| Certificate holder address: | RedBuilt, LLC  
200 E. Mallard Drive  
Boise, Idaho 83706 | Title: | FSC Controlled Wood Risk Assessment Summary for RedBuilt, LLC's Stayton, OR manufacturing facility. |

### Districts, including Ecoregions covered with this risk assessment:

The WWF Ecoregions include: NA0417, NA 0501, NA 0502, NA 0505, NA 0507, NA 0508, NA 0512, NA 0516, NA 0518, NA 0522, NA 0608, NA 0802, NA 0813 and NA 1309.

<table>
<thead>
<tr>
<th>FSC Category</th>
<th>Indicator</th>
<th>Information Sources</th>
<th>Finding &amp; Justification</th>
<th>Risk Finding</th>
</tr>
</thead>
</table>
| 1. Illegally Harvested Wood | 1.1 Evidence of enforcement of logging related laws in the district | 1. [www.illegal-logging.org](http://www.illegal-logging.org)  
2. [www.eia-international.org](http://www.eia-international.org)  
4. National and Local Laws and Regulations shown in FSC-DIR-40-005 Advice 19 | 1. There is nothing on the web site affecting RedBuilt, LLC’s wood supply area. Illegal harvesting in Papua New Guinea is the focus of this website.  
2. The focus of this web site is on the trading of illegal wood. The wood and fiber supply area is not included.  
3. There is strong evidence of active law enforcement within the districts of origin. Law enforcement in the U.S. is among the most effective in the world.  
4. The U.S. and Canada score high in good governance by Transparency International and the World Bank. | Low Risk |
| 1. There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits. | 1. [www.dfid.gov.uk](http://www.dfid.gov.uk)  
3. The Lacey Act | 1. This site addresses efforts of the British Government to fight worldwide poverty. Their efforts do not include the U.S.  
2. The European Union is developing a licensing scheme for wood coming into the EU and proposes to cooperate with the U.S. to thwart the trade in illegally harvested timber.  
3. The U.S. has passed comprehensive legislation to prevent | Low Risk |
| 1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin. | 1. www.eldis.org |
| | 2. www.globalwitness.org |
| | 3. www.panda.org |
| 1. None of the regions of the world where illegal logging is occurring and causing problems are associated with RedBuilt, LLC's wood and fiber supply areas. |
| 2. This site addresses illegal logging in the developing nations of the Pacific Rim, Africa, and South America. No issues were identified for RedBuilt, LLC's wood and fiber supply areas. |
| 3. The World Wildlife Fund web site addresses illegal logging. No instances of illegal logging in the U.S. were cited. |
| Low Risk |

| 1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade. | 1. www.transparency.org |
| | 2. AHEC Legality Study |
| 1. This site addresses corruption, bribery and other illegal activities. No issues were identified addressing forestry and wood procurement where the company procures wood. |
| 2. "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 reported in the study area and regulatory processes in the study area have been found to be highly effective." |
| Low Risk |

| 2. Wood harvested in violation of traditional or civil rights The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when all the following indicators are present: | 1. http://www.un.org/en/index.html |
| | 2. AHEC Legality Study |
| 1. The web sites listed in Annex 2, Section 2, address Africa and Asia and are not relevant to the U.S. and Canada |
| 2. There are no bans on timber exports from the wood and fiber supply areas. |
| Low Risk |

| 2.1 There is no UN Security Council ban on timber exports from the country concerned; | 1. http://www.usaid.gov |
| | 2. AHEC Legality Study |
| 1. USAID has not designated the RedBuilt, LLC's wood supply area as a source of conflict timber. |
| Low Risk |

| 2.2 The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber) | 1. https://us.fsc.org; FSC-US Guidance on Controlled Wood Sources |
| 1. The U.S. and Canada jurisdictions where RedBuilt, LLC procures wood material have comprehensive laws prohibiting the use of child labor or violating citizen’s rights. |
| 2. Wood procured in the study area can be considered Low Risk of violating traditional and civil rights. There are recognized and equitable processes in place to resolve conflicts of substantial magnitude. |
| Low Risk |
### 3. Wood harvested from forest in which high conservation values are threatened by management activities

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values.</td>
</tr>
<tr>
<td>3.2</td>
<td>A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</td>
</tr>
</tbody>
</table>

#### 3.1
- [https://us.fsc.org](https://us.fsc.org): FSC-US Guidance on Controlled Wood Sources
- AHEC Legality Study

#### 3.2
- [www.worldwildlife.org/science/ecoregions.cfm](http://www.worldwildlife.org/science/ecoregions.cfm)
- AHEC Legality Study

#### Risk Level
- Low Risk

### 4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>There is no net loss AND no significant rate of loss (&gt; 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</td>
</tr>
</tbody>
</table>

#### 4.1
- U.S. Forest Service Forest Inventory and Analysis Reports
- United Nations Food and Agriculture Organization’s (FAO) State of the World's Forests 2001 Report
- AHEC Legality Study

#### Risk Level
- Low Risk

RedBuilt LLC does source from one Eco-region (The Puget Lowland Forest) that has been identified in the...
| 5. Wood from forests in which genetically modified trees are planted | a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned | 1. [http://www.fao.org/docrep/008/ae574e/AE574E00.HTM](http://www.fao.org/docrep/008/ae574e/AE574E00.HTM)  
2. AHEC Legality Study | 1. RedBuilt, LLC did not find its wood and fiber supply areas on any lists contained in the FAO preliminary review of biotechnology in forestry  
2. “At this time all wood sourced in the U.S. can be considered to not contain wood from GMO trees.” | Low Risk |
| | b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use | 1. AHEC Legality Study | 1. “At this time all wood sourced in the U.S. can be considered to not contain wood from GMO trees.” No GMO trees are in use in Canada. | Low Risk |
| | c) It is forbidden to use genetically modified trees commercially in the country concerned | 1. AHEC Legality Study | 1. “At this time all wood sourced in the U.S. can be considered to not contain wood from GMO trees.” No GMO trees are in use in Canada. | Low Risk |
### Certificate holder:
RedBuilt, LLC

### FSC CW certificate code:
SCS-COC-001848

### Certification Body (CB):
Scientific Certification Services (SCS)

### Date of CB approval:
Insert Date of CB Approval

### Address of CB:
Scientific Certification Services
2200 Powell St. Suite 725
Emeryville, CA 94608

### Title:
FSC Controlled Wood Risk Assessment Summary for RedBuilt, LLC’s Stayton, OR manufacturing facility.

### Districts, including Ecoregions covered with this risk assessment:
The WWF Ecoregions include: NA 0506, NA 0510 and NA 0524.

<table>
<thead>
<tr>
<th>FSC Category</th>
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<th>Finding &amp; Justification</th>
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2. [www.eia-international.org](http://www.eia-international.org)  
4. National and Local Laws and Regulations shown in FSC-DIR-40-005 Advice 19 | 1. There is nothing on the web site affecting RedBuilt, LLC’s wood supply area. Illegal harvesting in Papua New Guinea is the focus of this website.  
2. The focus of this web site is on the trading of illegal wood. The wood and fiber supply area is not included.  
3. There is strong evidence of active law enforcement within the districts of origin. Law enforcement in the U.S. is among the most effective in the world.  
4. The U.S. and Canada score high in good governance by Transparency International and the World Bank. | Low Risk |
| | 1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits. | 1. [www.dfid.gov.uk](http://www.dfid.gov.uk)  
3. The Lacey Act | 1. This site addresses efforts of the British Government to fight worldwide poverty. Their efforts do not include the U.S.  
2. The European Union is developing a licensing scheme for wood coming into the EU and proposes to cooperate with the U.S. to thwart the trade in illegally harvested timber.  
3. The U.S. has passed comprehensive legislation to prevent illegal logging. | Low Risk |
| | 1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin. | 1. [www.eldis.org](http://www.eldis.org)  
2. [www.globalwitness.org](http://www.globalwitness.org) | 1. None of the regions of the world where illegal logging is occurring and causing problems are associated with RedBuilt, LLC’s wood and fiber supply areas.  
2. This site addresses illegal logging in the developing nations of | Low Risk |
| 2. Wood harvested in violation of traditional or civil rights | The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when all the following indicators are present:

2. AHEC Legality Study | 1. The web sites listed in Annex 2, Section 2, address Africa and Asia and are not relevant to the U.S. and Canada
2. There are no bans on timber exports from the wood and fiber supply areas. | Low Risk |
| 2.2 The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber) | 1. [http://www.usaid.gov](http://www.usaid.gov) | 1. USAID has not designated the RedBuilt, LLC's wood supply area as a source of conflict timber. | Low Risk |
| 2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned | 1. [https://us.fsc.org](https://us.fsc.org): FSC-US Guidance on Controlled Wood Sources | 1. The U.S. and Canada jurisdictions where RedBuilt, LLC procures wood material have comprehensive laws prohibiting the use of child labor or violating citizen’s rights. | Low Risk |
| 2.4 There are recognized and equitable process in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned | 1. [https://us.fsc.org](https://us.fsc.org): FSC-US Guidance on Controlling Wood Sources
2. AHEC Legality Study | 1. U.S. Federal and State and Canadian laws preclude such violations and there are recognized processes in place to resolve conflicts over traditional rights and cultural interests.
2. Wood procured in the study area can be considered Low Risk of violating traditional and civil rights. There are recognized and equitable processes in place to resolve conflicts of substantial magnitude.
3. There are documented examples of where First Nation’s have successfully exercised treaty rights through both formal and informal negotiations and through the courts. | Low Risk |
| 2.5 There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal | 1. [https://us.fsc.org](https://us.fsc.org): FSC-US Guidance on Controlled Wood Sources
2. AHEC Legality Study | 1. ILO Fundamental Principles and rights at work are generally respected.
2. There is no evidence that ILO Fundamental Principles are not | Low Risk |
Peoples taking place in the forest areas in the district concerned.

### 3. Wood harvested from forest in which high conservation values are threatened by management activities

The district of origin may be considered low risk in relation to threat to high conservation values if:

1. Indicator 3.1 is met; or
2. Indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.

#### 3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values.

- 1. [www.worldwildlife.org/science/ecoregions.cfm](http://www.worldwildlife.org/science/ecoregions.cfm)
- 2. AHEC Legality Study

#### 3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.

Compliance with Indicator 3.2 shall be demonstrated as follows:

1. A strong system of protection of high conservation values is in place. The definition of strong shall be based on the effectiveness of law enforcement in the country. This can be demonstrated through a high rating (≥ 75%) in the World Bank ‘rule of law’ index ([www.govindicators.org](http://www.govindicators.org)), and
2. Significant support by relevant national / regional stakeholders from the assessed district, or
3. The company has agreed to an approach of HCV protection at the forest management unit level with national / regional environmental stakeholders from the assessed district.

- 3. [www.ccma.org](http://www.ccma.org/)
- 5. AHEC Legality Study
- 7. Self-declaration from Ministry of Forests,
<table>
<thead>
<tr>
<th>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</th>
<th>Lands &amp; Natural Resource Operations – BC Timber Sales</th>
<th>Standards, be advised that wood from BCTS Timber Sale Licenses is not knowingly originating from the following sources: illegally harvested forests; forests harvested in violation of traditional and civil rights; forests in which high conservation values are threatened, forests that are being converted to plantations or non-forest use; or forests in which genetically modified trees are planted.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 There is no net loss AND no significant rate of loss (&gt; 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannas taking place in the eco-region in question.</td>
<td>1. U.S. Forest Service Forest Inventory and Analysis Reports</td>
<td>1. The growth of the forests in the States and Canadian Provinces where RedBuilt, LLC procures wood generally exceeds withdrawals, thus indicating that there is “no net loss” and no significant rate of loss of forests across the company’s fiber supply area</td>
</tr>
<tr>
<td></td>
<td>2. United Nations Food and Agriculture Organization’s (FAO) State of the World’s Forests 2001 Report</td>
<td>2. North American forest (U.S. and Canada) cover expanded nearly 10 Million acres (4 Million hectares) over the last decade. Thus, there is low risk that forested ecosystems in the U.S. are experiencing loss.</td>
</tr>
<tr>
<td></td>
<td>3. AHEC Legality Study</td>
<td>3. The remainder of the study area (RedBuilt, LLC’s wood supply area) is determined to be LOW RISK for conversion.</td>
</tr>
<tr>
<td>5. Wood from forests in which genetically modified trees are planted</td>
<td>RedBuilt LLC does source from one Eco-region (The Puget Lowland Forest) that has been identified in the American Hardwood Export Council (AHEC) study as exceeding acceptable limits in terms of conversion of Red Alder forests. However, RedBuilt LLC does not source Red Alder species and therefore does not contribute to the conversion of Red Alder forests to other uses or plantations.</td>
<td></td>
</tr>
<tr>
<td>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned</td>
<td>1. <a href="http://www.fao.org/docrep/008/ae574e/AE574E00.HTM">http://www.fao.org/docrep/008/ae574e/AE574E00.HTM</a></td>
<td>1. RedBuilt, LLC did not find its wood and fiber supply areas on any lists contained in the FAO preliminary review of biotechnology in forestry</td>
</tr>
<tr>
<td></td>
<td>2. AHEC Legality Study</td>
<td>2. “At this time all wood sourced in the U.S. can be considered to not contain wood from GMO trees.”</td>
</tr>
<tr>
<td>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use</td>
<td>1. AHEC Legality Study</td>
<td>1. “At this time all wood sourced in the U.S. can be considered to not contain wood from GMO trees.” No GMO trees are in use in Canada.</td>
</tr>
<tr>
<td>c) It is forbidden to use genetically modified trees commercially in the country concerned</td>
<td>1. AHEC Legality Study</td>
<td>1. “At this time all wood sourced in the U.S. can be considered to not contain wood from GMO trees.” No GMO trees are in use in Canada.</td>
</tr>
</tbody>
</table>