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FSC Controlled Wood Risk Assessment

Company:
North American Veneer, Inc.
2825-B Hallie Lane, Granville, Ohio 43023

FSC CW Code: SCS-CW-002048

Date of Risk Assessment: November 25, 2013

Date Approved by SCS: December 14, 2013

Country and District of Origin: USA – Lake Region/Appalachian Region East of the Mississippi River - States included : New York, Pennsylvania, Ohio, Michigan, Virginia, Missouri, North Carolina, West Virginia, Maryland, Kentucky, Indiana, Tennessee, Wisconsin, Illinois, Iowa, Minnesota

1. Illegally Harvested Wood The district of origin may be considered low risk in relation to illegal harvesting when <u>all</u> the following indicators related to forest governance are present:	Findings	Resulting Level of Risk
1.1 Evidence of enforcement of logging related laws in the district.	<p>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.</p> <p>In addition, the U.S. scores high in measures of good governance such as offered by Transparency International and</p>	<input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk

	the World Bank.	
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.	The Lacey Act prohibits all trade in plant and plant products that are illegally sourced from any U.S state or foreign country and requires importers to declare the country of origin of harvest and species name of all plants contained in their products and establishes penalties for violation of the act.	<input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk
1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.	World Bank and Transparency International monitor areas for illegal harvesting and no such activity has been found the U.S. The Seneca creek report concludes that the weight of evidence strongly indicates that there is very low risk that U.S. hardwoods contain wood from illegal sources. It notes that timber theft is not a pervasive or systemic problem. The report concludes that there can be high confidence regarding adherence to national and state laws in the hardwood sector. http://www.americanhardwood.org/sustainability/sustainable-forestry/seneca-creek-study	<input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> 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.	According to Word Bank and Transparency International the United States ranks high in the low perception of corruption. www.transparency.org	<input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> 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 <u>all</u> the following indicators are present:	Findings	Risk Level
2.1 There is no UN Security Council ban on timber exports from the country concerned.	Within the United States there is no UN Security Council ban on timber.	<input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk
2.2 The country or district is not designated a source of conflict timber (E.g USAID Type 1 conflict timber).	The United States is not a designated source of conflict timber. www.usaid.gov	<input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk

<p>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.</p>	<p>Strict labor laws in the United States prohibits the use of child labor or violation of workers' rights.</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk</p>
<p>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.</p>	<p>“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.”</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk</p>
<p>2.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.</p>	<p>No evidence of violations to the ILO convention 169 on Indigenous and tribal people in the United States. www.unpr.org</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk</p>
<p>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: a) indicator 3.1 is met; <u>or</u> b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.</p>	<p>Findings</p>	<p>Risk Level</p>
<p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten ecoregionally significant high conservation values. OR</p>	<p>There are four Biodiversity 'hotspots' as identified by Conservation international in the US but none are within the risk assessment area. www.conservation.org/where/priorities_areas/hotspots/north_central-america/pages/north_central_america.aspx Two ecoregions within the risk assessment area which may conflict with high conservation values due to the potential environmental impact by human activity include part of the Appalachian Mixed Mesophytic Forests and the Appalachian-Blue Ridge Forests although both State and Federal governments are taking steps to help insure protection and preservation of the areas through laws</p>	<p><input checked="" type="checkbox"/> Unspecified <input type="checkbox"/> Low Risk</p>

	<p>and conservation practices. www.worldwildlife.org/search/USAppalachian ecoregions.</p> <p>Independent studies such as the (Seneca Creek study) supports an overall low risk for this criterion. (www.ahec.org)</p> <p>Areas within the risk assessment area are subject to the Lacey Act Amendments.</p>	
<p>3.2 A strong* system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p> <p>*The definition of strong shall be based on the effectiveness of law enforcement in the country demonstrated through</p> <p>a) A high rating (≥ 75%) in the World Bank “rule of law” index (www.govindicators.org), and</p> <p>b) Significant support by relevant national / regional stakeholders from the assessed district, or</p> <p>c) The company has agreed to an approach of HCVP protection at the forest management unit level with national / regional environmental stakeholders from the assessed district.</p>	<p>Tough regulations governing aspects of forest management on private land have been implemented by individual states. Independent studies indicate that there is a very low risk of any American hardwood being derived from illegal sources or from forests where management practices lead to deforestation or to otherwise threaten biodiversity.</p> <p>Forest owners in the United States are subject to Federal legislation to protect habitats for threatened species http://www.americanhardwood.org/sustainability/sustainable-forestry/</p> <p>The Appalachian Mixed Mesophytic eco-region is listed as Critical/Endangered and the Appalachian-Blue Ridge Forests is listed as Vulnerable according to the WWF but states within this eco-region have (1) extensive programs to identify and protect biodiversity hotspots or nature preserves to assure continued survival (2) An extensive system of national forests and wildlife preserves that protects thousands of acres (3) NGOs such as The Nature Conservancy have additional systems of Nature Preserves.</p> <p>With the level of detection and preservation within this area, There is little risk to high conservation values.</p> <p>The Nature Serve network operates programs in all 50 US states as well as many other countries around the world. According to the World Bank “rule of law” indicator the US consistently ranks in the 90 percentile range.</p> <p>Overall five of the six indicators consistently rank high in percentile with only Political Stability/Absence of Violence ranging below at 38 to 80 percentile.</p>	<p><input type="checkbox"/> Unspecified</p> <p><input checked="" type="checkbox"/> Low Risk</p>

<p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is present: [Note: the change from plantations to other land uses is not considered as conversion].</p>	<p>Findings</p>	<p>Risk Level</p>
<p>4.1 There is no net loss AND no significant rate of loss (>0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<p>No supply area within this risk assessment is considered high risk according to the US Forest Service or the FSC guidelines for determining risk.</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk</p>
<p>5. Wood from forests in which genetically modified trees are planted 5. The district of origin may be considered low risk in relation to wood from genetically modified trees when <u>one of</u> the following indicators is complied with:</p>	<p>Findings</p>	<p>Risk Level</p>
<p>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned. OR</p>	<p>Although some GM trees have been planted in recent years in the US for studies only (including American Elm & American Chestnut) No Commercial use of GM trees are allowed in the USA. According to an AHEC study – At this time all wood sourced in the US can be considered to not contain wood from GMO trees.</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk</p>
<p>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use. OR</p>	<p>a license is required for commercial use of genetically modified trees and there are no licenses available within the USA.</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Risk</p>
<p>c) It is forbidden to use genetically modified trees commercially in the country concerned.</p>	<p>NA</p>	<p><input type="checkbox"/> <input type="checkbox"/></p>

