Supply Base Report:

Premium Pellet Ltd
Fourth Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 2.2 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

For further information on the SBP Framework and to view the full set of documentation see **www.sbp-cert.org**

Document history

Version 1.0	**Published 26 March 2015**
Version 2.0	Published 10 August 2023
Version 2.1	Published 15 April 2024
Version 2.2	Published 21 May 2025
Version 2.3	Published 14 August 2025

© Copyright Sustainable Biomass Program Limited 2025

Table of contents

1 Overview

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company
2.2 Detailed description of the Supply Base
2.3 Feedstock information

3 Supply Base Risk Assessments and Risk Management Measures

3.1 Summary of the Supply Base Evaluation
3.2 Conflicts with applicable national and sub-national legislation
3.3 Risk Management Measures

4 Stakeholder engagement

4.1 General description
4.2 Response to stakeholder comments

5 Report updates and approval

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Annex 2a: EU RED II Supply Base Evaluation

Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

1 Overview

Producer name:	Premium Pellet Ltd
Producer address:	1343 Hwy 16 West, V0J 3A0 Vanderhoof, B.C, Canada
SBP Certificate Code:	SBP-06-11
Geographic position:	54.014100, -124.048200
Primary contact:	Michael Fantillo, +1 250 570 7012, michael.fantillo@sinclar.com
Company website:	www.premiumpellet.com
Date report finalised:	07 May 2026
SBR reporting period from:	01 Nov 2024
SBR reporting period to:	31 Oct 2025
Name of the Certification Body:	Control Union Certifications BV
Certification Body Approval date:	03 Jul 2026
SBP Standard(s) used:	SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Feedstock origin (countries)	Canada (British Columbia)
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

Premium Pellet Ltd. (Premium Pellet) produces wood pellets at its facility located in Vanderhoof, British Columbia (BC). Premium Pellet's Supply Base Area is within the geographical centre of British Columbia (BC), Canada and includes the Prince George, Lakes, Mackenzie and Quesnel Timber Supply Area's (TSA's). The forests in this region generally consist of Spruce, Pine and Subalpine Fir with a minor component of Douglas Fir.

Premium Pellet currently utilizes 91% secondary feedstock from local primary facilities (lumber sawmills) and other secondary facilities (lumber remanufacturers). Within the region, the Bioenergy sector is a collective of pellet producers who utilize a minute share of harvested timber. There is one Bioenergy plant in the region which harvests on a tenure with a small Annual Allowable Cut which is restricted to dead pine stands that are less than sawmill log size timber. Secondary fibre procured is classified by Premium Pellet Ltd. as SBP-compliant secondary feedstock. The remaining fibre procured by Premium Pellet is primary feedstock, through bush grind operations. Primary feedstock is sourced through various licensees.

There are several potential suppliers of secondary feedstock in the area, including a related sawmill and planer mill, Nechako Lumber, located on the same site in Vanderhoof, BC as Premium Pellet. These two entities, along with Nechako Green Energy, are collectively known of as the Nechako Group of Companies. Additionally, secondary fibre is also obtained from external sawmills. These facilities include Lakeland Mills in Prince George, BC and Apollo Forest Products, in Fort St James, BC.

Majority of the forest management and harvesting in Premium Pellet's Supply Base Area is conducted on Government of British Columbia Crown land, which are managed by either the government through their BC Timber Sales (BCTS) program, or by forest companies with area or volume-based licenses awarded by government. The BCTS program and all local forest companies have their operations certified to Sustainable Forest Management (SFM) programs such as Sustainable Forestry Initiative® (SFI).

Forest certification is a fundamental part of the forestry industry in BC due to customer demand for certified wood products. Majority of Premium Pellet Ltd.'s input is from secondary feedstock from suppliers that hold forest management (SFI®-FM) certification and PEFC™ chain of custody certification to either SFI or PEFC. When entering into a purchase agreement with minor suppliers who are non-certified, Premium Pellet Ltd. provides a WCSIC Wood Producer Information package, which contains information promoting certification and Best Management Practices.

There are 3 Private Managed Forest Land areas within the Supply Base Area, amounting to 285 hectares. Premium Pellet Ltd. does not receive primary feedstock from this type of landownership. There is potential for secondary feedstock from other sawmills that is generated from Private Managed Forest Land.

Of the potential secondary feedstock suppliers to Premium Pellet, four of them have PEFC, Chain of Custody (CoC) systems. The Nechako Group of Companies have a common multi-site CoC PEFC system. Premium Pellet receives a supplier assertion confirming that feedstock is sourced through processes that meet the PEFC criteria and have a risk assessment carried out at the supplier level to confirm that it is obtained from non-controversial sources. Approximately 91% of the incoming fibre is certified compliant and 13%, which is used at the Nechako Green Energy and for bagged pellets, which does not have any SBP claims, is controlled. 87% of secondary feedstock is PEFC certified.

Majority of the fibre harvested is Lodgepole Pine, White Spruce, Engelmann Spruce, and Subalpine Fir with a smaller component of Douglas-fir.

All forests are classified within the Temperate Conifer Forest Region and there are no species harvested in BC that are on the CITES or IUCN lists. Certain fauna and plant species are listed as either endangered or threatened within the Supply Base Area by federal and provincial sources. Forest management operations are bound by federal and provincial legislation in BC, which includes species at risk. This legal framework is enforced to prevent and deter illegal harvesting within protected areas and practice requirements associated with species at risk habitat.

Products included in the scope of SBP Certification: *WB 1.1 Wood pellets*

Number of employees: *23*

Annual maximum production capacity (metric tonnes): *160000*

Number of direct feedstock suppliers: *11*

Approximate number of feedstock sub-suppliers: *0*

Description of the chain-of-custody and upstream supply chain:

Premium Pellet Ltd. is certified to the Programme for the Endorsement of Forest Certification (PEFC).

All major forest companies supplying primary or secondary feedstock to Premium Pellet, hold the Sustainable Forestry Initiative (SFI) Forest Management and Fiber Sourcing certification, and the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody (CoC) systems certification. Government's BC Timber Sales also holds SFI certification and provides certification credits to be transferred to Premium Pellet Ltd.

There is a small amount of other private land in the Supply Base Area which may supply primary feedstock to the facilities. These lands, most often in the BC Agriculture Land Reserve, is not classified as forest land but is private lands with forests and can be used by the owner for agricultural purposes once harvesting is complete. Typically, Premium Pellet Ltd. receives a very small percentage of secondary feedstock from this type of landownership.

2.2 Detailed description of the Supply Base

Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.

Annex 2 is generated if EU RED SBE is in the scope for each country separately.

Country	Canada
Area/Region	British Columbia
Exclusions	No
Feedstock types	Primary feedstock, Processing residues
Feedstock Product Groups	Forest feedstock (1A), Processing residues feedstock (4A)

Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	Yes - Majority
For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?	Yes - Majority
Risk assessment(s)	Yes – Regional Risk Assessment (RRA) used
Provide a concise summary of why a SBE was determined to be required or not required here:	
The SBP Regional Risk Assessment for British Columbia has been completed. This assessment, conducted against SBP Standard 1 (v2.0), identified certain indicators as Specified Risk. In response, Premium Pellets has undertaken its own company-level risk assessment to ensure all feedstock sourced and processed meets SBP requirements.	
Feedstock types included in SBE:	Primary feedstock, Processing residues
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	8.2000
Map(s) of the Supply Base area:	
Premium Basemap 2030722.pdfSee attachments	

2.3 Feedstock information

a. **Total volume of Feedstock:** 1-200,000 tonnes

b. **Volume of primary feedstock:** 1-200,000 tonnes

c. **List of all the species in primary feedstock, including scientific name:**

Pinus contorta	Lodgepole Pine
Picea glauca	Hybrid White Spruce
Abies lasiocarpa	Subalpine Fir
Pseudotsuga menziesii	Douglas Fir

d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** Yes - Majority

Explanation: The Chief Forester of BC published an expectation letter dated June 30th, 2020, to target stands affected by the current Spruce Beetle Outbreak. Harvesting within Premium Pellet's Supply Base Area includes salvaged or pest/disease control measures. Spruce Beetle outbreak stands are targeted to reduce fire risk, regenerate areas, and recover volume from affected stands before deterioration past a point of utilization

e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%)**: 0.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 100.00

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 0.00

h. **Indicate how you determine the proportion of saw log:** Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.

i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00

j. **Select forest type(s) where the primary feedstock was sourced from:** Mix of The Above

k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Clearcutting

l. **Volume of primary feedstock from primary forest:** 0 tonnes

m. **Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Chips, Sawdust

n. **Share of SBP-recognised system claim for processing residues:**

100.00 % PEFC

o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Chips, Sawdust

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 164000 tonnes

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 12745788.00 m3

Explanation: This is based on the current AAC determination of Premiums Supply Base area include the Prince George, Mackenzie, Lakes and Quesnel TSA's.

3 Supply Base Risk Assessments and Risk Management Measures

Guidance: Biomass Producers shall demonstrate that any specified risks of sourcing feedstock not in compliance with SBP Standard 1 have been adequately reduced to low risk, following Standard 2 requirements. Following section applies to Biomass Producer's implementing SBP Supply Base Evaluation (SBP RRA or company own risk assessment). EU RED Supply Base Evaluation details are reported in Annex 2.

☐ **Not Applicable – Supply Base Evaluation not implemented**

3.1 Summary of the Supply Base Evaluation

The Supply Base Evaluation (SBE) was developed from an indicator to sub-scope to feedstock type approach. All potential input types of material were considered in the SBE process. The SBE ensures coverage of all current and potential harvesting areas within Premium Pellet's Supply Base Area. Although majority of feedstock received is categorized as secondary, there is a small amount of primary feedstock material.

Premium Pellet Ltd. conducted the Supply Base Evaluation over the course of summer and fall 2024. The SBE was written both in-house and an external party contracted to conduct the SBE. The contracted external party (Jessica Hochins) was appointed to conduct an analysis of the Supply Bases Area (spatially), and report on the findings, and creation of the SBE including assistance with generation of risk management measures. The SBE was reviewed in-house by Michael Fantillo, an employee of Premium Pellet Ltd, Erik Andersen, Mark Roller and Tim Nevison employees of Sinclar Group Forest Products.

Refer to the SBP Endorsed British Columbia Regional Risk Assessment - Specified Indicators Only, which was endorsed by the Sustainable Biomass Program on May 5th, 2025. After the evaluation of the Premium Pellet Ltd.'s Supply Base Area, some indicator risks have changed from specified risk to low risk, primarily through the use of the SBP-benchmarked certified secondary feedstock.

Within Premium Pellet Ltd.'s Supply Base Area (SBA), there is approximately 285 hectares of Private Managed Forest Land (PMFL), within the Prince George and Quesnel Timber Supply Areas. There is no acceptance of primary feedstock from PMFL within the SBA and therefore any specified risk indicated from the BC Regional Risk Assessment have been moved to low risk. Risk Management Measures have only been generated for PMFL secondary feedstock.

Premium Pellet Ltd. is able to meet SBP requirements for all indicators deemed specified risk from the BC Regional Risk Assessment. The main strengths include an assortment of risk mitigation options for each indicator, depending on landownership and feedstock types.

To monitor suppliers within the Supply Base, Premium Pellet has created a Risk Management Plan (RMP) specific to receiving feedstock. Premium Pellet Ltd. is committed to verifying procurement of any specified risk feedstock through the RMP. The effectiveness of the Risk Management Measures will be monitored on an annual basis, prior to the annual audit. The RMP will be reviewed on an annual basis with Senior Management.

This RMP consists of 12 Risk Management Measures, and has implemented the following process when purchasing any type of feedstock:

Premium Pellet Ltd. Risk Management Plan:

Fibre Manager's Pre-Verification:

Premium Pellet Ltd. will complete and document a pre-verification evaluation of all potential feedstock suppliers prior to receiving any feedstock. A **Purchase Wood Risk Assessment** will be completed, including confirmation of origin and any actions required to ensure that feedstock meets the SBP requirements.

To ensure conformance with the SBP Standards, a **mapping analysis** will be completed by Premium Pellet Ltd. and a **Feedstock Suppliers Package** will be provided to the supplier before a **Fibre Purchase Contract** is signed and feedstock is accepted. All feedstock sources will be included in an auditing process which will be used to evaluate and verify management practices and any potential risk of non-conformance to the SBP Standards.

Mapping Analysis
Prior to acceptance of feedstock, a **mapping analysis** will be conducted by Premium Pellet Ltd. The mapping analysis will utilize Timber Marks as a form of spatial identification of potential feedstock, in combination with the BC Provincial Government's Harvest Billing System (HBS) or parcel identification number (https://ltsa.ca/products-services/parcelmap-bc/) to determine feedstock origin, confirming the location is within the Supply Base Area.

Using publicly available BC Government datasets, Premium Pellet Ltd. has mapped the following biodiversity elements within the Supply Base Area:
- Approved Ungulate Winter Ranges relating to Caribou species (https://www.env.gov.bc.ca/wld/frpa/uwr/approved_uwr.html),
- Intact Forest Landscapes of British Columbia as defined by the Forest Stewardship Council's Controlled (https://ca.fsc.org/ca-en/forest-management/intact-forest-landscapes),
-Current legal Old Growth Management Areas (OGMAs) as defined by the Government of British Columbia (https://catalogue.data.gov.bc.ca/dataset/old-growth-managementareas-legalcurrent)

The following datasets are not publicly available, but will be utilized by Premium Pellet Ltd.:
· First Nations Traditional Territories

Through a GIS exercise, Premium Pellet Ltd. will overlay potential feedstock sources to identify any overlaps with the above biodiversity elements. If no overlaps are identified, no further Risk Management Measures will be implemented. If overlaps are identified, Premium Pellet Ltd. will implement the appropriate Risk Management Measure to reduce the potential impact of these indicators to low risk.

All information gathered from the mapping analysis will be documented in a map template by the GIS technician.

Feedstock Suppliers Package
Premium Pellet Ltd. will provide the feedstock supplier with a package that includes maps with the feedstock source area and the specified risk overlap areas identified, the company **Wood Producer Information Package** which includes Best Management Practices, Sustainable Forest Management Certification information, reference to applicable Forest Management Legislation, reference to Safety and Labour Laws, and Species at Risk awareness training for appropriate personnel and measures to protect biodiversity and wildlife habitat. Premium Pellet Ltd.'s SFM/EMS Guidebook will also be provided to suppliers.

Premium Pellet Ltd. promotes the use of Qualified Logging Professionals and Qualified Resource Professionals. Qualified Logging Professional Training is a requirement for all contractors. In order to receive QLP status, a logging contractor must successfully take the QLP Training Program, and maintain continuing education every 2 years. Premium Pellet Ltd. maintains a digital QLP training list that is updated regularly.

Premium Pellet Ltd. Fibre Supply Contract

Prior to accepting any feedstock, a Premium Pellet Ltd. Fibre Supply Contract will be signed. The contract will include a Suppliers Assertion which includes a commitment to implement Best Management Practices where required, a commitment to meet provincial and federal legal and sustainability requirements, a commitment to avoid the conversion of the source area to non-forest use and granting Premium Pellet Ltd. access to carry out onsite inspections/audits as needed. The contract will also state that failure to meet the legal or environmental commitments agreed to in the contract may result in contract termination.

Risk Assessment and Field Verification
Supplier's information gathered during the **Purchase Wood Risk Assessment** and for the **Purchase Fibre Supply Contract** will be used to determine the potential field inspection requirement, dependent on a list of forest management related questions. The scale and intensity of the source area and of the specified risk as well as local knowledge may also impact the requirement for a field inspection.

Feedstock sources less than 1,000 m3, do not require a field visit.

Using the Premium Pellet Ltd. **Field Inspection Checklist**, field inspections will focus on the commitments made in the contract and the implementation of risk management measures. All non-conformities will be documented and reviewed by the Fibre Supply Manager. Past nonconformities will be considered and may impact future dealings with the Fibre Supplier.

Risk Management Plan (RMP) Monitoring
On an annual basis, Premium Pellet Ltd. will:

Select a subset of feedstock suppliers for audit based on risk assessment results and randomly.
- Review signed contracts with suppliers
-Assess during Management Reviews:
    - Feedstock/Purchase Wood Agreement Checklist and Risk Assessment effectiveness of managing risks
    -Field inspection results and any non-conformities identified
    -Results from audit inspections

The Premium Pellets' Fibre Procurement Management System and all audit findings will be reviewed at the Premium Pellet Sales & Operations Committee (PPS&O) annually. Consideration of the effectiveness of the Supplier's Package, the implementation of the mitigation measures, the non-conformities potential impact and the PPL management system will be reviewed. Where appropriate, adjustments will be made to the fibre procurement management system.

The following Risk Management Measures will be used by Premium Pellet Ltd. and are further described in Section 3.3 of the Supply Base Report:

RMM 1 – Procurement Policy & Provide to Suppliers
RMM 2 – Verify Suppliers Strategic, Tactical &/or Operational/Implementation Plan
RMM 3 – Develop Best Management Practices and provide to Suppliers
RMM 4 – Establish Threshold & Phase Out Feedstock Sourcing
RMM 5 – Best/Better Use Analysis/Verification.
RMM 6 – Phase Out Feedstock Sourcing
RMM 7 – Field Verification
RMM 8 – Establish Annual Threshold
RMM 9 – External Agency Monitoring Program
RMM 10 – Dispute Resolution Mechanism
RMM 11 – Benchmarked Certified Feedstock

RMM 12 – No Sourcing

Premium Pellet Ltd. will stop considering SBP-compliant feedstock sourced from suppliers who, following request, fail to demonstrate that they are implementing RMM's.

3.2 Conflicts with applicable national and sub-national legislation

Provincial legislation in British Columbia allows for land-use change from forests to non-forest to support development/infrastructure (e.g. housing, highways, dams/reservoirs), and or other natural resource extraction (e.g. mines, oil and gas).

3.3 Risk Management Measures

Guidance: Please provide more details about specified risk indicators in each supply country and describe mitigation measures taken to address all specified risks associated with indicators.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim
☐ Biomass Producer's own risk assessment

Indicator with specified risk:

2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.

Description of the specific risk:

The BC Regional Risk Assessment has designated this indicator as Specified Risk, split into multiple categories and will be addressed by Premium Pellet Ltd. in the same manner.

Biodiversity Values - Maintained/Enhanced Landscape Level	**Crown Land**	**Private Managed Forest Land**	**Other Private Land**	
	SAR – Caribou	S	S	S

Large Landscapes	L		L	L	
Intact Forest Landscapes	S		S	S	
Stand Level	**SAR –**		S	S	S
local/endemic					
RTE Ecosystems	L		L	L	
Key Habitat Attributes & Old Growth	S	S	S		

Forest operations activities, as well as the activities by other sectors, may pose a threat to key ecosystems and habitats through fragmentation, the direct and indirect effects associated with access, and loss or degradation of key ecological attributes for ecosystems and habitats sensitive disturbance.

Private Managed Forest Land primary feedstock is not a source of feedstock for Premium Pellet Ltd. and has been adjusted to low risk and will not be further discussed.

Mapping Analysis
Premium Pellet Ltd. completed a mapping analysis to determine biodiversity risks designated as Specified Risk from the BC Regional Risk Assessment. The mapping analysis utilized the following publicly available government datasets.

Premium Pellet Ltd. has mapped landscape level Species at Risk – Caribou species, Intact Forest Landscapes (IFL's), and Old Growth Management Areas against the Timber Harvesting Landbase (THLB), as well as Other Private Land within their Supply Base Area with the following datasets:
I. Approved Ungulate Winter Ranges relating to Caribou species (https://www.env.gov.bc.ca/wld/frpa/uwr/approved_uwr.html),
II. Intact Forest Landscapes of British Columbia as defined by the Forest Stewardship Council's Controlled (https://ca.fsc.org/ca-en/forest-management/intact-forest-landscapes),
III. Current legal Old Growth Management Areas (OGMAs) as defined by the Government of British Columbia (https://catalogue.data.gov.bc.ca/dataset/old-growth-managementareas-legalcurrent),

Crown Land

Landscape Level – SAR – Caribou
Within Premium Pellet Ltd.'s Supply Base Area, provincially approved Caribou habitat polygon data was used to complete a GIS analysis to determine current and future harvest operations on Crown land, and Other Private Land (SBV: Critical Habitat Map – THLB).

In British Columbia, forest management operations on Crown land are legislatively bound by the Forest Range and Practices Act, the Forest Practices Regulation, and GAR Orders, which are specific to regional areas within the province. Harvesting is allowed when practices meet or exceed the Federal Recovery Plan and/or provincial GAR orders.

The following GAR orders and Wildlife Habitat Areas (WHA's) specific to Caribou are identified are within Premium Pellet Ltd.'s Supply Base Area:

Lakes Timber Supply Area:
- Chelaslie Caribou Migration Corridor used by the Tweedsmuir Caribou Herd

Mackenzie Timber Supply Area:

- Caribou Permanent Deferral Area of 33,645 ha within the caribou moratorium recovery zones in the South-East portion of the TSA

Prince George Timber Supply Area:
- 3 GAR Orders related to Caribou
- Wildlife Habitat Area which protects a mountain caribou mineral lick

Quesnel Timber Supply Area:
- Mountain Caribou (Eastern Herd)
- Mountain Caribou (Western Herd)

As a result from the mapping analysis, Crown Land landscape level Species at Risk – caribou species remains as specified risk within Premium Pellet Ltd.'s Supply Base Area.

Landscape Level - In-Tact Forest Landscapes
Intact Forest Landscapes (IFL's) were determined to be specified risk because they are not provincially recognized and there are no requirements to conserve them. Premium Pellet Ltd. has used the publicly available logic, data and polygons for the identification of all IFL's within the Supply Base Area (SBV: Premium IFLs – THLB Map) from the FSC National Risk Assessment. Provincial Timber Harvesting Landbase (THLB) polygons were overlaid on the IFL polygons to determine the maximum potential hectares that could impact an IFL, if the entire THLB was harvested over time (SBV: see the table provided on the Premium IFL's – THLB Map). Based on this mapping exercise and adopting the logical for risk designation by FSC NRA, it has resulted in four IFL's being Specified Risk (SBV: NAM). Further, the Premium Pellet Ltd. mapping exercise confirmed that IFL's did not intersect any private land (both other private land and PMFL sub-scopes).

Based on this mapping exercise and adopting the logic for risk designation by the FSC NRA, it has resulted in 4 IFL's being Specified Risk within Premium Pellet Ltd.'s Supply Base Area. As per Premium Pellet Ltd.'s Standard Operating Procedure for the Protection of Ecological, Geological, Historical, Culturally Species Sites/Wildlife Habitat and Biological Diversity/Water Management/Soil Conservation.

Stand Level – Local/Endemic
Premium Pellet Ltd. has a Species at Risk Field Guide within their Environmental Management System Guidebook. There are mammals and birds that are either Red or Blue listed and found within Premium Pellet Ltd.'s Supply Base Area.

The local/endemic level of Species at Risk are identified below:
- Grizzly bear
- Wolverine
- Fisher
- Woodland Caribou
- Big Horn Sheep
- Northern Myotis
- Long-billed Curlew
- American Bittern
- Great Blue Heron
- Short-eared Owl
- Broad-winged hawk

- Peregrine Falcon
- Bobolink
- Rusty Blackbird
- Barn Swallow
- Caspian Tern
- California Gull
- Sharp-tailed Grouse
- Crumpled Tarpaper
- Lichen

Stand Level – Key Habitat Attributes & Old Growth Management Areas
Old Growth Management Areas (OGMA's) are defined as areas that contain or are managed to attain specific structural old-growth attributes. These areas are excluded from commercial timber harvesting to protect biological diversity, plant ecosystems, wildlife habitat and cultural values.

All Timber Supply Areas within Premium Pellet Ltd.'s Supply Base area have spatially identified Old Growth Management Area Polygons. The following information was produced from reviewing Timber Supply Reviews published by the British Columbia Ministry of Forests:

Lakes TSA:
55,357 ha

Mackenzie TSA:
46,294 ha

Prince George TSA:
12,474 ha

Quesnel TSA:
83,881 ha

As a result, this element of the indicator remains as Specified Risk.

Mitigation measure:

Crown Land Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind with their Procurement Policy that informs the supplier of the specified risks within Premium Pellet Ltd.'s Supply Base Area and the requirement to mitigate any risk prior to procurement (RMM1).

As per Premium Pellet Ltd.'s Risk Management Plan (RMP), pre-verification of potential feedstock will be conducted. Verification of suppliers' strategic, tactical &/or operational/implementation plans include review of company Forest Stewardship Plans via the Ministry of Forests Forest Stewardship Plan Tracking System Access, to ensure that applicable legislative and operational requirements are being met. Individual site plans may be reviewed (RMM2).

Premium Pellet Ltd. will use the following Risk Management Measures for Crown Land Primary Feedstock:
RMM 1 – Procurement Policy & Provide to Suppliers
RMM 2 – Verify Suppliers Strategic, Tactical &/or Operational/Implementation Plan

RMM 3 – Develop Best Management Practices and provide to Suppliers
RMM 4 – Establish Threshold & Phase Out Feedstock Sourcing
RMM 7 – Field Verification
RMM 8 – Establish an Annual Threshold

Species At Risk – Caribou
The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock from SAR areas, additional RMM's will be used to mitigate the risk. Verification of suppliers' strategic, tactical, &/or operational/implementation plans will be conducted by Premium Pellet Ltd. (RMM2).

Prior to procurement, Premium Pellet Ltd. will provide a set of Best Management Practices &/or direct the suppliers to address the deficiency of the specified risk (RMM3). Additionally, Premium Pellet Ltd. will complete a field checklist verification (RMM7), which depending on the scale and intensity of the specified risk will be completed pre-procurement and/or post-harvest, or possibly a GIS/desk exercise (as per Risk Management Plan).

Depending on the location of the feedstock in question, if it is located within the Woodland Caribou areas identified spatially, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

Intact Forest Landscapes
The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock that may fragment in-tact forest landscape areas, additional RMM's will be used to mitigate the risk.

Premium Pellet Ltd. will provide a set of BMPs &/or direct the suppliers to address the deficiency (RMM3). Premium Pellet Ltd. will maintain volume estimates of primary feedstock received from IFLs, and utilize RMM8, Establish an annual threshold.

Depending on the location of the feedstock in question, if it is located near an IFL that is at risk, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

SAR – local/endemic
The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock from local/endemic SAR areas, additional RMM's will be used to mitigate the risk. Verification of suppliers' strategic, tactical, &/or operational/implementation plans will be conducted by Premium Pellet Ltd. (RMM2).

Prior to procurement, Premium Pellet Ltd. will provide a set of Best Management Practices, which includes Premium Pellet Ltd.'s SFM/EMS Guidebook, &/or direct the suppliers to address the deficiency of the specified risk (RMM3). Additionally, Premium Pellet Ltd. will complete a field checklist verification (RMM7), which depending on the scale and intensity of the specified risk will be completed pre-procurement and/or post-harvest, or possibly a GIS/desk exercise (as per Risk Management Plan).

Depending on the location of the feedstock in question, if it is located within the local/endemic SAR areas identified spatially, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

Key Habitat Attributes & Old Growth

The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock from Old Growth Management Areas (OGMA's), additional RMM's will be used to mitigate the risk. Verification of suppliers' strategic, tactical, &/or operational/implementation plans will be conducted by Premium Pellet Ltd. (RMM2).

Prior to procurement, Premium Pellet Ltd. will provide a set of Best Management Practices, which includes Premium Pellet Ltd.'s SFM/EMS Guidebook, &/or direct the suppliers to address the deficiency of the specified risk (RMM3). Additionally, Premium Pellet Ltd. will complete a field checklist verification (RMM7), which depending on the scale and intensity of the specified risk will be completed pre-procurement and/or post-harvest, or possibly a GIS/desk exercise (as per Risk Management Plan).

Depending on the location of the feedstock in question, if it is located within the OGMA's identified spatially, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

Crown Land Secondary

Premium Pellet Ltd. will provide all suppliers of secondary feedstock with their Procurement Policy that informs the supplier of the specified risks within Premium Pellet Ltd.'s Supply Base Area and the need to mitigate any risk prior to procurement (RMM1). Premium Pellet Ltd. acknowledges that some sawmills may or may not be forest managers and can control the forest management practices, however, based on Premium Pellet Ltd.'s GIS analysis, they are able to pre-determine potential specified risk polygons and identify the organization that is the licensee.
Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from Crown Lands. All Crown Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from Crown Land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Crown Land specified risk feedstock from secondary feedstock deliveries, the volume of Crown Land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of Crown Land for secondary feedstock received.

Private Managed Forest Land Secondary

Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from Private Managed Forest Land (PMFL). All Private Managed Forest Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from PMFL will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that PMFL specified risk feedstock from secondary feedstock deliveries, the volume of private land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of PMFL for secondary feedstock received.

Other Private Land Primary

Species At Risk – Caribou

The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock from SAR areas, additional RMM's will be used to mitigate the risk. Verification of suppliers' strategic, tactical, &/or operational/implementation plans will be conducted by Premium Pellet Ltd. (RMM2).

Prior to procurement, Premium Pellet Ltd. will provide a set of Best Management Practices &/or direct the suppliers to address the deficiency of the specified risk (RMM3). Additionally, Premium Pellet Ltd. will complete a field checklist verification (RMM7), which depending on the scale and intensity of the specified risk will be completed pre-procurement and/or post-harvest, or possibly a GIS/desk exercise (as per Risk Management Plan).

Depending on the location of the feedstock in question, if it is located within the Woodland Caribou areas identified spatially, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

Intact Forest Landscapes
The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock that may fragment in-tact forest landscape areas, additional RMM's will be used to mitigate the risk.

Premium Pellet Ltd. will provide a set of BMPs &/or direct the suppliers to address the deficiency (RMM3). Premium Pellet Ltd. will maintain volume estimates of primary feedstock received from IFLs, and utilize RMM8, Establish an annual threshold.

Depending on the location of the feedstock in question, if it is located near an IFL that is at risk, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

SAR – local/endemic
The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock from local/endemic SAR areas, additional RMM's will be used to mitigate the risk. Verification of suppliers' strategic, tactical, &/or operational/implementation plans will be conducted by Premium Pellet Ltd. (RMM2).

Prior to procurement, Premium Pellet Ltd. will provide a set of Best Management Practices, which includes Premium Pellet Ltd.'s SFM/EMS Guidebook, &/or direct the suppliers to address the deficiency of the specified risk (RMM3). Additionally, Premium Pellet Ltd. will complete a field checklist verification (RMM7), which depending on the scale and intensity of the specified risk will be completed pre-procurement and/or post-harvest, or possibly a GIS/desk exercise (as per Risk Management Plan).

Depending on the location of the feedstock in question, if it is located within the local/endemic SAR areas identified spatially, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

Key Habitat Attributes & Old Growth
The company's Procurement Policy (RMM1) is provided to suppliers. After the mapping exercise has been conducted by Premium Pellet Ltd., if there is risk of accepting primary feedstock from Old Growth Management Areas (OGMA's), additional RMM's will be used to mitigate the risk. Verification of suppliers' strategic, tactical, &/or operational/implementation plans will be conducted by Premium Pellet Ltd. (RMM2).

Prior to procurement, Premium Pellet Ltd. will provide a set of Best Management Practices, which includes Premium Pellet Ltd.'s SFM/EMS Guidebook, &/or direct the suppliers to address the deficiency of the specified risk (RMM3). Additionally, Premium Pellet Ltd. will complete a field checklist verification (RMM7), which depending on the scale and intensity of the specified risk will be completed pre-procurement and/or post-harvest, or possibly a GIS/desk exercise (as per Risk Management Plan).

Depending on the location of the feedstock in question, if it is located within the OGMA's identified spatially, RMM 12 (no sourcing) will be utilized by Premium Pellet Ltd.

Other Private Land Secondary

Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from Other Private Lands. All Other Private Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Other Private Land specified risk feedstock from secondary feedstock deliveries, the volume of Other Private Land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of Other Private Land for secondary feedstock received.

Monitoring and outcomes:

For all landownership and feedstock types, Premium Pellet Ltd. will follow the Risk Management Plan to assess potential risk. Semi-annual [JH1] [EA2] basis and annual reviews of landscape and stand level biodiversity specified risk indicators will be conducted during the Management Review.

As part of the Risk Management Plan, Premium Pellet Ltd. will periodically conduct mapping analyses of the Supply Base Area. The mapping analysis will use Timber Marks, in combination with the Provincial government's HBS or the parcel identification number (https://ltsa.ca/products-services/parcelmap-bc/) to determine the feedstock source location to ensure the feedstock is within the Supply Base Area.

Using publicly available government data sets, Premium Pellet Ltd. will conduct mapping exercises using the following publicly available information:
I. Approved Ungulate Winter Ranges relating to Caribou species (https://www.env.gov.bc.ca/wld/frpa/uwr/approved_uwr.html),
II. Intact Forest Landscapes of British Columbia as defined by the Forest Stewardship Council's Controlled (https://ca.fsc.org/ca-en/forest-management/intact-forest-landscapes),
III. Current legal Old Growth Management Areas (OGMAs) as defined by the Government of British Columbia (https://catalogue.data.gov.bc.ca/dataset/old-growth-managementareas-legalcurrent),

GIS exercise results will be documented. Any areas identified during the desk exercise will be further assessed, through use of Risk Management Measures, to ensure that the SBP Standards are being met.

Country: Canada	
Area/sub-scope: British Columbia	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim

	☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.1 Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.	
Description of the specific risk:	
The BC Regional Risk Assessment has designated all landownership types as Specified Risk. FSC National Risk Assessment for Canada indicates that forest conversion is generally not a problem in Canada. Conversion of natural forest may reduce or eliminate the biological diversity associated with the natural forest and reduce or eliminate any social benefits from the area. Extensive deforestation continues to be an important global contributor to climate change. The intent of this indicator is to reduce incentives for extensive conversion of natural forest to non-forest use. Treed areas are predominantly under agricultural or urban land use are not forest. Area of forest, therefore, is not the same as area of tree cover. Consequently, area of forest is not easily mapped using satellite imagery. The scale and rate of conversion depends on local factors. Negative impacts of conversion include deforestation, fragmentation, altered or degraded habitat and ecosystems, reduced productive forest areas, and increased carbon emissions. The SBP glossary defines forest as "*land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agriculture or urban landuse*." On other private land, specifically on treed lands being converted for agricultural purpose, the downed fibre is often left to decompose or burned. Both these actions result in increased GHG emission, as well as poor utilization of a resource. Conversion to non-forest lands is more likely to occur on other private land due to land use change as the driver by the private landowner. There is no legislation restricting conversion, or Best Management Practices at the local level, or data on conversion to non-forest lands nor readily available conformance data. Premium Pellet has implemented a Forest Conversion Commitment and Assessment Procedure, a landscape level assessment which determines ecological impacts and prohibits conversion if there would be negative impacts. Depending on the scale of the proposed forest conversion, appropriate consultation with local communities, Indigenous Peoples, and other stakeholders who could be affected by such activities will take place. The Forest Conversion Commitment and Assessment Procedure indicates that Premium Pellet will not convert one forest cover type to another forest cover type unless an assessment has been	

conducted to determine ecological impacts as per the attached procedure, an appropriate justification has been developed, and approval at the manager level or above has been granted.
This indicator remains as specified risk for all landownership and feedstock types, with the exception of Private Managed Forest Land primary feedstock as it is not a source of feedstock within Premium Pellet Ltd.'s Supply Base Area.

Risk rating

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary	☒ Specified Risk
	Secondary	☒ Specified Risk
Private Managed Forest Land	Primary	☒ Low Risk
	Secondary	☒ Specified Risk
Other Private Land	Primary	☒ Specified Risk
	Secondary	☒ Specified Risk

Mitigation measure:

For any type of feedstock, a purchase agreement is signed by both parties (Premium Pellet Ltd. and the seller). A clause of the agreement is a supplier declaration that the material is not from controversial sources. Within Premium Pellet's Procurement Policy, it details that material is avoided from areas where forest conversions occur, in other than justified circumstances where the conversion:

- Is in compliance with national and regional policy and legislation applicable for landuse and forest management
- Does not have negative impacts on ecologically important forest areas, culturally and socially significant areas or other protected areas, and
- Does not destroy areas of significantly high carbon stock. If any material is coming from an area with the potential for conversion of non-forest land use from industrial development, it would not be considered SBP compliant material and would be tracked as SBP controlled material in Premium Pellet Ltd.'s Chain of Custody.
- Does not have negative impacts on ecologically important forest areas, culturally and socially significant areas or other protected areas, and
- Does not destroy areas of significantly high carbon stock.

If any material is coming from an area with the potential for conversion of non-forest land use from industrial development, it would not be considered SBP compliant material and would be tracked as SBP controlled material in Premium Pellet Ltd.'s Chain of Custody.

Premium Pellet Ltd. has implemented a Forest Conversion Commitment and Assessment Procedure, indicating that the company will not convert one forest cover type to another forest cover type unless an assessment has been conducted to determine ecological impacts as per the attached procedure, an appropriate justification has been developed, and approval at the manager level or above has been granted. The Assessment Procedure is a landscape level assessment which determines ecological impacts and prohibits conversion if there would be negative impacts. Depending on the scale of the proposed forest conversion, appropriate consultation with local communities, Indigenous Peoples, and other stakeholders who could be affected by such activities will take place.

Crown Land – Primary Feedstock
Premium Pellet will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet's SBA and the need to mitigate any risk prior to procurement (RMM1).

Depending on the scale and intensity of the specified risk for Crown Land primary feedstock, Premium Pellet Ltd. may establish a threshold and phase out (RMM6) or set as an annual threshold (RMM8).

Depending on the location of the feedstock in question, if it is known that conversion from natural forest to non-forest use is occurring, RMM12 (no sourcing) will be utilized by Premium Pellet Ltd.

Crown Land – Secondary Feedstock
Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from Crown Lands. All Crown Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from Crown Land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Crown Land specified risk feedstock from secondary feedstock deliveries, the volume of Crown Land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of Crown Land for secondary feedstock received.
An analysis of the BC Harvest Billing System (HBS) will be completed on an annual basis to review cutting permits which have been accepted as secondary feedstock to Premium Pellet Ltd. Types of cutting permits are publicly available and can be determined as a potential source of conversion.

Private Manged Forest Land – Secondary Feedstock
Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from Private Managed Forest Land (PMFL). All Private Managed Forest Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from PMFL will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that PMFL specified risk feedstock from secondary feedstock deliveries, the volume of private land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of PMFL for secondary feedstock received.
An analysis of the BC Harvest Billing System (HBS) will be completed on a annual basis to review cutting permits which have been accepted as secondary feedstock to Premium Pellet Ltd. Types of cutting permits are publicly available and can be determined as a potential source of conversion.

Other Private Land – Secondary Feedstock
Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet acknowledges that sawmills which produce secondary feedstock may procure roundwood from Other Private Lands. All Other Private Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Other Private Land specified risk feedstock from secondary feedstock deliveries, the volume of Other Private Land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of Other Private Land for secondary feedstock received.

An analysis of the BC Harvest Billing System (HBS) will be completed on a annual basis to review cutting

permits which have been accepted as secondary feedstock to Premium Pellet Ltd. Types of cutting permits are publicly available and can be determined as a potential source of conversion.
Monitoring and outcomes:
As per Premium Pellet Ltd.'s Conversion Commitment and Assessment Procedure, a landscape assessment will be conducted on a semi-annual basis as part of the Risk Management Plan. The information will be reviewed on an annual basis during the annual management review.

Country: Canada	
Area/sub-scope: British Columbia	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced	
Description of the specific risk:	
The BC Regional Risk Assessment has identified Other Private Land as specified risk. Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown and Private Managed Forest Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment. Potential threats from forest management activities (i.e. harvesting and road building) can include on and off-site negative impacts to soil productivity, hydrology, watersheds and ecological values. Disturbances such as landslides, erosion and sedimentation can result in public safety and/or infrastructure damage. **Feedstock Purchase from Other Private Land** Premium Pellet will complete and document a **Purchase Wood Risk Assessment,** including confirmation of origin and any actions required to ensure that feedstock meets the SBP requirements. All feedstock sources will be included in an auditing process which will be used to evaluate and verify management	

practices and any potential risk of non-conformance to the SBP Standards.
All information gathered will be documented on the **Purchase Wood/Feedstock Agreement Checklist**.
Premium Pellet Ltd. will provide the feedstock supplier with a package that includes maps with the feedstock source area and the specified risk overlap areas identified, the company **Wood Producer Information Package** which includes Best Management Practices, Sustainable Forest Management Certification information, reference to applicable Forest Management Legislation, reference to Safety and Labour Laws, and Species at Risk awareness training for appropriate personnel and measures to protect biodiversity and wildlife habitat.
Specific to soil quality, the **Wood Producer Information Package** details Best Management Practices regarding weather conditions and risk of soil disturbance (such as excessive rutting and compaction), consideration of seasonal harvesting (winter harvesting on wet ground to better support equipment), and type of equipment use to minimize soil disturbance.
Premium Pellet promotes the use of Qualified Logging Professionals and Qualified Resource Professionals. Qualified Logging Professional Training is a requirement for all contractors. To receive QLP status, a logging contractor must successfully take the QLP Training Program and maintain continuing education every 2 years. Premium Pellet Ltd. maintains a digital QLP training list that is updated regularly.

Premium Pellet Ltd. Fibre Supply Contract
Prior to accepting any feedstock, a Premium Pellet Fibre Supply Contract will be signed. An element of the contract is a Suppliers Assertion which includes a commitment to implement Best Management Practices where required, a commitment to meet provincial and federal legal and sustainability requirements, a commitment to avoid the conversion of the source area to non-forest use and granting Premium Pellet access to carry out onsite inspections/audits as needed. The contract will also state that failure to meet the legal or environmental commitments agreed to in the contract may result in contract termination.

Risk Assessment and Field Verification
Supplier information gathered during the **Purchase Wood Risk Assessment** and for the **Purchase Fibre Supply Contract** will be used to determine the potential field inspection requirement, dependent on a list of forest management related questions. The scale and intensity of the source area and of the specified risk as well as local knowledge may also impact the requirement for a field inspection.

Feedstock sources less than 1,000 m3, do not require a field visit.
Using the Premium Pellet Ltd. **Field Inspection Checklist**, field inspections will focus on the commitments made in the contract and the implementation of risk management measures. All non-conformities will be documented and reviewed by the Fibre Supply Manager. Past nonconformities will be considered and may impact future dealings with the Fibre Supplier.

All private land roundwood is identified by a timbermark and is traceable via the provincial Harvest Billing System. The Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations. The analysis has provided a listing of the organizations that may be harvesting in or overlapping with private land (SBV: Supplier List).
The assessment of Premium Pellet's current practices associated with Other Private Land primary and secondary feedstock procurement has designated this indicator as Low Risk.

Risk rating

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary	☒ Low Risk

Secondary	☒ Low Risk
Private Managed Forest Land Primary	☒ Low Risk Secondary ☒ Low Risk
Other Private Land	Primary ☒ Low Risk Secondary ☒ Low Risk

Mitigation measure:

Other Private Land - Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet's SBA and the need to mitigate any risk prior to procurement (RMM1). Prior to procurement, Premium Pellet Ltd. will provide suppliers with the WCSIC Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3). Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase risk assessment, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land - Secondary Feedstock
Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification (RMM11).

Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet's SBA and the need to mitigate any risk prior to procurement (RMM1). Premium Pellet acknowledges that sawmills which produce secondary feedstock may procure roundwood from Other Private Lands. All Other Private Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Other Private Land specified risk feedstock from secondary feedstock deliveries, the volume of Other Private Land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of Other Private Land for secondary feedstock received.

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of the Purchase Wood Risk Assessments related to Other Private Land. If field verification is required for purchases, it will be documented through the Purchase Wood Inspection Forms. The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings.
Estimates of Other Private Land secondary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.	
Description of the specific risk:	

The BC Regional Risk Assessment has identified Other Private Land as specified risk. Premium Pellet has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown and Private Managed Forest Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment.

Forest management activities may negatively affect water quality and/or quantity through increased sedimentation, loss of riparian habitat and function, loss/degradation of fish habitat, and alteration of peak flows that may result increased flooding.

Feedstock Purchase from Other Private Land
Premium Pellet will complete and document a **Purchase Wood Risk Assessment,** including confirmation of origin and any actions required to ensure that feedstock meets the SBP requirements. All feedstock sources will be included in an auditing process which will be used to evaluate and verify management practices and any potential risk of non-conformance to the SBP Standards.
All information gathered will be documented on the **Purchase Wood/Feedstock Agreement Checklist**.
Premium Pellet will provide the feedstock supplier with a package that includes maps with the feedstock source area and the specified risk overlap areas identified, the company **Wood Producer Information Package** which includes Best Management Practices, Sustainable Forest Management Certification information, reference to applicable Forest Management Legislation, reference to Safety and Labour Laws, and Species at Risk awareness training for appropriate personnel and measures to protect biodiversity and wildlife habitat.
Specific to water quality/quantity, the **Wood Producer Information Package** details Best Management Practices regarding riparian habitat, fish, and fish habitat. Water and erosion control Best Management Practices are provided for road construction, and deactivation. Premium Pellet will, on request, support suppliers in identifying qualified resource professionals to assist in preparing prescriptions to manage riparian habitat.
Premium Pellet promotes the use of Qualified Logging Professionals and Qualified Resource Professionals.

Qualified Logging Professional Training is a requirement for all contractors. In order to receive QLP status, a logging contractor must successfully take the QLP Training Program and maintain continuing education every 2 years. Premium Pellet Ltd. maintains a digital QLP training list that is updated regularly.

Premium Pellet Ltd. Fibre Supply Contract
Prior to accepting any feedstock, a Premium Pellet Ltd. Fibre Supply Contract will be signed. An element of the contract is a Suppliers Assertion which includes a commitment to implement Best Management Practices where required, a commitment to meet provincial and federal legal and sustainability requirements, a commitment to avoid the conversion of the source area to non-forest use and granting Premium Pellet access to carry out onsite inspections/audits as needed. The contract will also state that failure to meet the legal or environmental commitments agreed to in the contract may result in contract termination.

Risk Assessment and Field Verification
Supplier's information gathered during the **Purchase Wood Risk Assessment** and for the **Purchase Fibre Supply Contract** will be used to determine the potential field inspection requirement, dependent on a list of forest management related questions. The scale and intensity of the source area and of the specified risk as well as local knowledge may also impact the requirement for a field inspection. Feedstock sources less than 1,000 m3, do not require a field visit.
Using the Premium Pellet **Field Inspection Checklist**, field inspections will focus on the commitments made in the contract and the implementation of risk management measures. All non-conformities will be documented and reviewed by the Fibre Supply Manager. Past nonconformities will be considered and may impact future dealings with the Fibre Supplier.
All private land roundwood is identified by a timbermark and is traceable via HBS. The Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations. The analysis has provided a listing of the organizations that may be harvesting in or overlapping with private land (SBV: HBS Client list). From this list, Premium Pellet Ltd. has identified potential suppliers by sub-scope.
Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the SBA (SBV: Premium OPL map).

The assessment of Premium Pellet Ltd.'s current practices associated with Other Private Land primary and secondary feedstock designates this indicator as Low Risk.

Risk rating

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Private Managed Forest Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Other Private Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk

Mitigation measure:

Other Private Land Primary Feedstock
Premium Pellet will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).
Premium Pellet Ltd. will provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3).

Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land Secondary Feedstock
Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification (RMM11).

Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet's SBA and the need to mitigate any risk prior to procurement (RMM1).
Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from Other Private Land. All Other Private Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that private land specified risk feedstock from secondary feedstock deliveries, the volume of private land over a period could be estimated. Premium Pellet will maintain volume estimates of private land for secondary feedstock received.

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of the Purchase Wood Risk Assessments related to Other Private Land. If field verification is required for purchases, it will be documented through the Purchase Wood Inspection Forms. The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings.
Estimates of Other Private Land secondary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim

	☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

2.2.9 Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base.

Description of the specific risk:

The BC Regional Risk Assessment has identified Other Private Land as specified risk. Premium Pellet has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown and Private Managed Forest Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment.

Timber harvesting that exceeds the long-term sustainable harvest level of the forest is unsustainable and will erode the productivity of the forest, ecosystem services and the timber supply it produces. Due to limited legislation, and lack of best management practices, monitoring and/or data on other private land, a specified risk is designated.

Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps).

All private land roundwood is identified by a timbermark and is traceable via HBS. The Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations. The analysis has provided a listing of the organizations that may be harvesting in or overlapping with private land (SBV: HBS Client list). From this list, Premium Pellet Ltd. has identified potential suppliers by sub-scope.
Premium Pellet has implemented a Forest Conversion Commitment and Assessment Procedure, a landscape level assessment which determines ecological impacts and prohibits conversion if there would be negative impacts. Depending on the scale of the proposed forest conversion, appropriate consultation with local communities, Indigenous Peoples, and other stakeholders who could be affected by such activities will take place. The Forest Conversion Commitment and Assessment Procedure indicates that Premium Pellet will not convert one forest cover type to another forest cover type unless an assessment has been conducted to determine ecological impacts as per the attached procedure, an appropriate justification has been developed, and approval at the manager level or above has been granted.

Risk rating

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Private Managed Forest Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Other Private Land	Primary	☒ Specified Risk
	Secondary	☒ Specified Risk

Mitigation measure:

Other Private Land Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with

private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks. Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land Secondary Feedstock
Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet acknowledges that sawmills which produce secondary feedstock may procure roundwood from Other Private Lands. All Other Private Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Other Private Land specified risk feedstock from secondary feedstock deliveries, the volume of Other Private Land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of Other Private Land for secondary feedstock received.

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of the Purchase Wood Risk Assessments related to Other Private Land. If field verification is required for purchases, it will be documented through the Purchase Wood Inspection Forms. The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings.

Estimates of Other Private Land secondary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim

	☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.10 Harvested areas shall be regenerated	
Description of the specific risk:	

The BC Regional Risk Assessment has identified Other Private Land as specified risk. Premium Pellet has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown and Private Managed Forest Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment.

Forest management activities may negatively affect forest ecosystems if inadequate regeneration occurs. Negative impacts include a considerable time delay following harvest, unacceptable species, inadequate control of competing vegetation and significantly uneven density.

Feedstock Purchase from Other Private Land

Premium Pellet will complete and document a **Purchase Wood Risk Assessment,** including confirmation of origin and any actions required to ensure that feedstock meets the SBP requirements. All feedstock sources will be included in an auditing process which will be used to evaluate and verify management practices and any potential risk of non-conformance to the SBP Standards.

All information gathered will be documented on the **Purchase Wood/Feedstock Agreement Checklist**. Premium Pellet Ltd. will provide the feedstock supplier with a package that includes maps with the feedstock source area and the specified risk overlap areas identified, the company **Wood Producer Information Package** which includes Best Management Practices, Sustainable Forest Management Certification information, reference to applicable Forest Management Legislation, reference to Safety and Labour Laws, and Species at Risk awareness training for appropriate personnel and measures to protect biodiversity and wildlife habitat.

The **Wood Producer Information Package** provides information related to reforestation and afforestation. Other Private Landowners are encouraged to reforest areas; however, there is no legal requirement to reforest on Other Private Land. Premium Pellet will, on request, support suppliers in identifying qualified resource professionals to assist with regeneration efforts of private landowners.
Premium Pellet promotes the use of Qualified Logging Professionals and Qualified Resource Professionals. Qualified Logging Professional Training is a requirement for all contractors. In order to receive QLP status, a logging contractor must successfully take the QLP Training Program and maintain continuing education every 2 years. Premium Pellet Ltd. maintains a digital QLP training list that is updated regularly.

Premium Pellet Ltd. Fibre Supply Contract
Prior to accepting any feedstock, a Premium Pellet Fibre Supply Contract will be signed. An element of the contract is a Suppliers Assertion which includes a commitment to implement Best Management Practices where required, a commitment to meet provincial and federal legal and sustainability requirements, a

commitment to avoid the conversion of the source area to non-forest use and granting Premium Pellet Ltd. access to carry out onsite inspections/audits as needed. The contract will also state that failure to meet the legal or environmental commitments agreed to in the contract may result in contract termination.

Risk Assessment and Field Verification
Supplier's information gathered during the **Purchase Wood Risk Assessment** and for the **Purchase Fibre Supply Contract** will be used to determine the potential field inspection requirement, dependent on a list of forest management related questions. The scale and intensity of the source area and of the specified risk as well as local knowledge may also impact the requirement for a field inspection.
Feedstock sources less than 1,000 m3, do not require a field visit.
Using the Premium Pellet Ltd. **Field Inspection Checklist**, field inspections will focus on the commitments made in the contract and the implementation of risk management measures. All non-conformities will be documented and reviewed by the Fibre Supply Manager. Past nonconformities will be considered and may impact future dealings with the Fibre Supplier.

All private land roundwood is identified by a timbermark and is traceable via HBS. The Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations. The analysis has provided a listing of the organizations that may be harvesting in or overlapping with private land (SBV: HBS Client list). From this list, Premium Pellet has identified potential suppliers by sub-scope.
Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the SBA (SBV: Premium Pellet OPL).

Risk rating

Landownership Type	**Feedstock Type**	**Risk**		
Crown Land	Primary	☒ Low Risk		
	Secondary	☒ Low Risk		
Private Managed Forest Land	Primary	☒ Low Risk	Secondary	☒ Low Risk
Other Private Land	Primary	☒ Specified Risk	Secondary	☒ Specified Risk

Mitigation measure:

Other Private Land Primary Feedstock
Premium Pellet will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet will provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3). Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land Secondary Feedstock
Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification (RMM11).

Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from private lands. All private land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that private land specified risk feedstock from secondary feedstock deliveries, the volume of private land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of private land for secondary feedstock received.

Monitoring and outcomes:

The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Premium Pellet Sales & Operations Committee (PPS&O) meetings.

Estimates of private land secondary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim
☐ Biomass Producer's own risk assessment

Indicator with specified risk:

3.2.2 Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.

Description of the specific risk:

The BC Regional Risk Assessment has identified Other Private Land as specified risk. Premium Pellet has

mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown and Private Managed Forest Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment.

Forest management activities may negatively impact the renewal of a slow-growing stand which accumulates sufficient carbon stocks to replace those removed. Harvesting from forests that are difficult to regenerate results in uncertain renewal prospects and therefore uncertain future carbon stocks.

Due to limited legislation, and lack of best management practices, monitoring and/or data on other private land, a specified risk is designated.

Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps).

All Other Private Land roundwood is identified by a timbermark and is traceable via HBS. The Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations. The analysis has provided a listing of the organizations that may be harvesting in or overlapping with private land (SBV: HBS Client list). From this list, Premium Pellet Ltd. has identified potential suppliers by sub-scope.

Risk rating			
Landownership Type Crown Land Secondary	Land	Feedstock Type Primary Risk ☒ Low Risk	☒ Low Risk
Private Managed Forest Secondary		Primary ☒ Low Risk	☒ Low Risk
Other Private Land Secondary		Primary ☒ Low Risk	☒ Specified Risk

Mitigation measure:

Other Private Land Primary Feedstock
Premium Pellet Ltd. will not accept primary feedstock (RMM12) from Other Private Land in areas where there is low site productivity.

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of the Purchase Wood Risk Assessments related to Other Private Land. If field verification is required for purchases, it will be documented through the Purchase Wood Inspection Forms. The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings.
Estimates of Other Private Land primary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim
☐ Biomass Producer's own risk assessment

Indicator with specified risk:

3.2.3 feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).

Description of the specific risk:

The BC Regional Risk Assessment has identified Other Private Land as specified risk. Premium Pellet has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown and Private Managed Forest Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment.

Areas considered High Carbon Stocks for the purposes of the Supply Base Evaluation are Old-Growth areas. Old Growth Management Areas (OGMA's) are spatially defined within Premium Pellet Ltd.'s Supply Base Area.

High Carbon Stock areas are defined as Key Habitat Attributes & Old Growth for the purposes of Premium Pellet Ltd.'s Supply Base Evaluation. Old Growth Management Areas (OGMA's) are spatially defined within Premium Pellet Ltd.'s Supply Base Area. The remaining High Conservation Values (HCV's) are identified in Indicator 2.1.3, and are both stand and landscape level.

Forest management activities may negatively impact the renewal of a slow-growing stand which accumulates sufficient carbon stocks to replace those removed. Harvesting from forests that are difficult to regenerate results in uncertain renewal prospects and therefore uncertain future carbon stocks.

Risk rating

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Private Managed Forest Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Other Private Land	Primary	☒ Specified Risk
	Secondary	☒ Low Risk

Mitigation measure:

For any type of feedstock, a purchase agreement is signed by both parties (Premium Pellet Ltd. and the seller). A clause of the agreement is a supplier declaration that the material is not from controversial sources. Within Premium Pellet Ltd.'s Chain of Custody Policy, it details that material is avoided from areas where forest conversions occur, in other than justified circumstances where the conversion:
- Is in compliance with national and regional policy and legislation applicable for landuse and forest management
- Does not have negative impacts on ecologically important forest areas, culturally and socially significant areas or other protected areas, and
- Does not destroy areas of significantly high carbon stock.

Crown Land – Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Premium Pellet Ltd. will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, based on the results of Premium Pellet Ltd.'s Feedstock Purchase Checklist, Premium Pellet Ltd. will complete a field checklist verification (RMM7).

Premium Pellet Ltd. will not accept primary feedstock (RMM12) from Crown Land in areas which are considered HCS or HCV.

Other Private Land – Primary Feedstock
Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from Other Private Lands. All Other Private Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Other Private Land specified risk feedstock from secondary feedstock deliveries, the volume of Other Private Land over a period could be estimated.
Premium Pellet Ltd. will maintain volume estimates of Other Private Land for secondary feedstock received.

Premium Pellet Ltd. will not accept primary feedstock (RMM12) from Other Private Land in areas which are considered HCS or HCV.

Monitoring and outcomes:

For all landownership and feedstock types, Premium Pellet Ltd. will follow the Risk Management Plan to assess potential risk. Semi-annual [JH1] [EA2] basis and annual reviews of landscape and stand level biodiversity specified risk indicators during the Management Review.

As part of the Risk Management Plan, Premium Pellet Ltd. will periodically conduct mapping analyses of the Supply Base Area. The mapping analysis will use Timber Marks, in combination with the Provincial government's HBS or the parcel identification number (https://ltsa.ca/products-services/parcelmap-bc/) to determine the feedstock source location to ensure the feedstock is within the Supply Base Area.

Using publicly available government data sets, Premium Pellet Ltd. will conduct mapping exercises using the following publicly available information:

I. Approved Ungulate Winter Ranges relating to Caribou species (https://www.env.gov.bc.ca/wld/frpa/uwr/approved_uwr.html),
II. Intact Forest Landscapes of British Columbia as defined by the Forest Stewardship Council's Controlled (https://ca.fsc.org/ca-en/forest-management/intact-forest-landscapes),
III. Current legal Old Growth Management Areas (OGMAs) as defined by the Government of British Columbia (https://catalogue.data.gov.bc.ca/dataset/old-growth-managementareas-legalcurrent),

GIS exercise results will be documented. Any areas identified during the desk exercise will be further assessed, through use of Risk Management Measures, to ensure that the SBP Standards are being met.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim
☐ Biomass Producer's own risk assessment

Indicator with specified risk:

4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.

Description of the specific risk:

From the BC Regional Risk Assessment, Other Private Land has been designated as Specified Risk.

Health and safety is important for ensuring the well-being of workers. Workers in an unsafe and unhealthy environment will increase lost time. An effective health and safety program reduces costs and liabilities that firms would incur associated with accidents and the result of following unsafe practices.

Risk rating

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Private Managed Forest Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk

Other Private Land	Primary ☒ Specified Risk Secondary ☒ Specified Risk
Mitigation measure:	
Premium Pellet Ltd. will complete and document a pre-verification evaluation of all potential feedstock suppliers prior to receiving any feedstock. A **Purchase Wood Risk Assessment** will be completed, including confirmation of origin and any actions required to ensure that feedstock meets the SBP requirements. As part of the **Purchase Wood Agreement Checklist**, Premium Pellet Ltd. will ensure that the supplier's contractor hired to conduct the logging has a valid WorkSafe BC Clearance Letter, indicating compliance with all Health & Safety requirements in BC (RMM9). WorkSafe BC Clearance Letters will be retained digitally by Premium Pellet Ltd. **Other Private Land Primary Feedstock** Premium Pellet will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1). Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks. Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest. **Other Private Land Secondary Feedstock** Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).	
Monitoring and outcomes:	
WorkSafe BC Clearance Letters will be retained by Premium Pellet Ltd. digitally. Clearance Letters are reviewed on an annual basis to ensure that companies hired by Premium Pellet Ltd. are in conformance with training requirements, during the annual management meeting, internal and external audits.	

Country: Canada	
Area/sub-scope: British Columbia	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim

	☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

4.2.1 Negative social and community impacts shall be identified and avoided.

Description of the specific risk:

The BC Regional Risk Assessment has identified Private Managed Forest Land and Other Private Land as specified risk. Premium Pellet has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown Lands will not be further discussed as it have been designated as Low Risk from the BC Regional Risk Assessment.

Negative impacts to communities may occur is sustainable and responsible forestry practices are not conducted, including loss of tenure and use rights, loss of access to areas with cultural, social, heritage, and economic values used by communities, loss of employment and economic opportunities, health and welfare impacts on communities, and loss of adequate access for recreation.

Primary feedstock is not received by the company from Private Managed Forest Land and is considered to be low risk.

Risk rating

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary ☒	Low Risk
	Secondary ☒	Low Risk
Private Managed Forest Land	Primary ☒	Low Risk
	Secondary ☒	Low Risk
Other Private Land	Primary ☒	Low Risk
	Secondary ☒	Low Risk

Mitigation measure:

Private Managed Forest Land Primary Feedstock

Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3). Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Private Managed Forest Land Secondary Feedstock

Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification.

Other Private Land Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3). Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps).

Other Private Land Secondary Feedstock
Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification.

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of the Purchase Wood Risk Assessments related to Other Private Land. If field verification is required for purchases, it will be documented through the Purchase Wood Inspection Forms. The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings.
Estimates of Other Private Land secondary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim

	☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

4.2.3 Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced

Description of the specific risk:

Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps).

Risk rating

Landownership Type	**Feedstock Type Risk**			
Crown Land	Primary	☒ Low Risk		
Secondary	☒ Low Risk			
Private Managed Forest Land	Primary	☒ Low Risk	Secondary	☒ Specified Risk
Other Private Land	Primary ☒ Specified Risk	Secondary	☒ Low Risk	

Mitigation measure:

Other Private Land Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).
Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3).

Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land Secondary Feedstock
Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from private lands. All private land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that private land specified risk feedstock from secondary feedstock deliveries, the volume of private land over a period could be estimated. Premium Pellet will maintain volume estimates of private land for secondary feedstock received.

Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification.

Monitoring and outcomes:
Premium Pellet Ltd. will monitor this indicator through completion of the Purchase Wood Risk Assessments related to Other Private Land. If field verification is required for purchases, it will be documented through the Purchase Wood Inspection Forms. The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings. Estimates of Other Private Land secondary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

Country: Canada	
Area/sub-scope: British Columbia	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.2.4 Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.	
Description of the specific risk:	
The BC Regional Risk Assessment has identified Private Managed Forest Land and Other Private Land as specified risk. Premium Pellet has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment. Forest Management activities may cause negative impacts including the possibility that customary and traditional tenure and use rights may not be identified or only partially identified. This could lead to the unidentified rights being violated or becoming a source of contention. Another threat is that identified rights are not documented. These potential scenarios could lead to violations of legal, customary and traditional tenure and use rights.	

Premium Pellet Ltd. in conjunction with Sinclar Group Forest Products Ltd. has both Principles for First Nation Relationships, and First Nations Program. The First Nations Program will be further discussed in Indicator 4.2.6.

Principles for First Nation Relationships is a policy that identifies the following:
- Recognizes and advances Rights and Title and Interests of local First Nations
- Recognizes and incorporates traditional knowledge and cultural values in all First Nation engagements
- Develops mutually beneficial partnerships and relationships built on respect and understanding of each party, supported by transparent, open and timely communication.
- Establishes supportive processes and encourages First Nation management of their respective Traditional territories.
- Develops long-term business arrangements that support full participation in all aspects of the forest economy
- Engages and supports First Nation communities.

This policy applies to all employees, consultants and contractors.

Landownership Type	**Feedstock Type**	**Risk**
Crown Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Private Managed Forest Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk
Other Private Land	Primary	☒ Low Risk
	Secondary	☒ Low Risk

Mitigation measure:

Private Managed Forest Land Secondary Feedstock
Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification (RMM11).

Other Private Land Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3). Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land Secondary Feedstock
Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure

roundwood from private lands. All private land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that private land specified risk feedstock from secondary feedstock deliveries, the volume of private land over a period could be estimated. Premium Pellet will maintain volume estimates of private land for secondary feedstock received.

Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification (RMM11).

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of Supplier Declarations related to Private Managed Forest Land and Other Private Land. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings. Review of Premium Pellet Ltd.'s First Nation Policy and First Nation Program will be conducted on an annual basis.
As part of the Risk Management Plan, Premium Pellet Ltd. will periodically conduct mapping analyses of the Supply Base Area. The mapping analysis will use Timber Marks, in combination with the Provincial government's HBS or the parcel identification number (https://ltsa.ca/products-services/parcelmap-bc/) to determine the feedstock source location to ensure the feedstock is within the Supply Base Area.

Premium Pellet Ltd. will conduct mapping exercises using privately provided information related to First Nation traditional territories. GIS exercise results will be documented. Any areas identified during the desk exercise will be further assessed, through use of Risk Management Measures, to ensure that the SBP Standards are being met.

Semi-annual basis and annual reviews of this indicator will be conducted during the Management Review.

Country: Canada

Area/sub-scope: British Columbia

Risk Assessment used:

	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim

	☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

4.2.6 Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.

Description of the specific risk:

The BC Regional Risk Assessment has identified Private Managed Forest Land and Other Private Land as specified risk. Premium Pellet has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment.

In the absence of FPIC or a consultation process, existing Indigenous rights may not be respected, potentially leading to violations of tenure and use rights.

Premium Pellet Ltd., in conjunction with Sinclar Group Forest Products, has a First Nations Program implemented. The intent of the Program is to meet or exceed the legal requirements for communication and information sharing with all potentially affected First Nations. If the legal requirements or a commitment by the Provincial or Federal Government, or by Sinclar Group Forest products comes into effect after the implementation of the Program, the Program will be updated to meet the new commitment.

Communication and information sharing is fundamental in the First Nations Program; the following procedures are in place:
- Identify First Nations who may be affected by proposed forest management activities
- Communicating and Information sharing with the potentially impacted First Nations.
- Documentation – all communications will be documented with each First Nation.

Staff and Contractor training is an element of the Program. Training content may include the following:
- Understanding and respect for traditional forest knowledge
- Identifying and protecting spiritually, historically, and culturally important sites
- Addressing the use of non-timber forest products of value
- Recognizing and understanding frameworks or rights outlined in UNDRIP ‘

Communication that respect First Nation institutions, or
- Providing opportunities to review forest management plans and forest management practices

Premium Pellet Ltd. is responsible for planning and information sharing, however, the BC Provincial government is responsible for consultation.

If there is a conflict between implemented policies and this Program, the Policy takes precedence.

Landownership Type	**Feedstock Type Risk**	
Crown Land	Primary	☒ Low Risk
Secondary	☒ Low Risk	
Private Managed Forest Land Primary	☒ Low Risk Secondary	☒ Low Risk

Other Private Land	Primary ☒ Low Risk Secondary ☒ Low Risk

Mitigation measure:

Other Private Land Primary Feedstock
Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).
Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks (RMM3).
Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land Secondary Feedstock
Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet Ltd. acknowledges that sawmills which produce secondary feedstock may procure roundwood from private lands. All private land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that private land specified risk feedstock from secondary feedstock deliveries, the volume of private land over a period could be estimated. Premium Pellet will maintain volume estimates of private land for secondary feedstock received.

Processing residues (secondary feedstock) carrying a valid PEFC claim can be considered as SBP-compliant feedstock, as per Evaluation of the Programme for the Endorsement of Forest Certification (PEFC) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification (RMM11).

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of Supplier Declarations related to Private Managed Forest Land and Other Private Land. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings. Review of Premium Pellet Ltd.'s First Nation Policy and First Nation Program will be conducted on an annual basis.
As part of the Risk Management Plan, Premium Pellet Ltd. will periodically conduct mapping analyses of the Supply Base Area. The mapping analysis will use Timber Marks, in combination with the Provincial government's HBS or the parcel identification number (https://ltsa.ca/products-services/parcelmap-bc/) to determine the feedstock source location to ensure the feedstock is within the Supply Base Area.

Premium Pellet Ltd. will conduct mapping exercises using privately provided information related to First Nation traditional territories. GIS exercise results will be documented. Any areas identified during the desk exercise will be further assessed, through use of Risk Management Measures, to ensure that the SBP Standards are being met.

Semi-annual basis and annual reviews of this indicator will be conducted during the Management Review

Country: Canada	
Area/sub-scope: British Columbia	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☒SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.	
Description of the specific risk:	
The BC Regional Risk Assessment has identified Other Private Land as specified risk. Premium Pellet Ltd. has mapped all forested and non-forested private land parcels within the Supply Base Area. The potential for primary or secondary feedstock to be sourced from Other Private Land is probable. Crown and Private Managed Forest Lands will not be further discussed as they have been designated as Low Risk from the BC Regional Risk Assessment. Management that impedes, alters, or disrupts ecological functions reduces the ability of forests to sustain healthy and vital ecological services. Consequently, ecosystems are more susceptible to degradation and irreversible losses or damage. This indicator has been evaluated more specifically in other Criterion 2.2 indicators, including: 2.2.3 - Soil Quality Maintained or Enhanced 2.2.4 - Residue Removal Minimizes Neg. Impact to Ecosystem 2.2.5 - Water Quality/Quantity Maintained or Enhanced 2.2.9 - Long-Term Production Capacity 2.2.10 - Regen after harvest - Natural Processes are managed	
Mitigation measure:	
Other Private Land Primary Feedstock Premium Pellet Ltd. will provide all suppliers of primary feedstock (i.e. pulpwood, low grade roundwood &/or bush grind) with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement	

(RMM1).

Premium Pellet Ltd. will also provide suppliers with the company's Wood Producer Information Package, which includes a set of Best Management Practices to address deficiencies of specified risks. Additionally, Premium Pellet will complete a field checklist verification, which depending on the outcome of the company's fibre purchase checklist, will be completed pre-procurement and/or post-harvest (RMM7).

Other Private Land Secondary Feedstock

Premium Pellet Ltd. will provide all suppliers of secondary feedstock (i.e. sawmill residues, as well as offcuts & trim), with their Procurement Policy that informs the supplier of the specified risks associated with private lands within Premium Pellet Ltd.'s SBA and the need to mitigate any risk prior to procurement (RMM1).

Premium Pellet acknowledges that sawmills which produce secondary feedstock may procure roundwood from Other Private Lands. All Other Private Land roundwood is identified by a timbermark and is traceable via HBS by legal sawmill scale site. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Premium Pellet Ltd. and for this reason the roundwood from the private land will not be segregated during processing resulting in a mix within the sawmill residue pile. Although it would not be possible to remove that Other Private Land specified risk feedstock from secondary feedstock deliveries, the volume of Other Private Land over a period could be estimated. Premium Pellet Ltd. will maintain volume estimates of Other Private Land for secondary feedstock received.

Monitoring and outcomes:

Premium Pellet Ltd. will monitor this indicator through completion of the Purchase Wood Risk Assessments related to Other Private Land. If field verification is required for purchases, it will be documented through the Purchase Wood Inspection Forms. The amount of field monitoring related to this indicator is dependent on the results of the Field Inspection Checklist, and amount of risk related to the supplier. Results of the forms are consolidated on an annual basis and discussed at the Management Review meetings.
Estimates of Other Private Land secondary feedstock will be maintained on an annual basis by Premium Pellet Ltd.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 19 Mar 2025

Biomass Producer's stakeholder engagement end date: 29 Apr 2025

Total number of stakeholders contacted: 86

Give a general description of the process of Stakeholders Engagement, including stakeholders contacted, method of communication and a summary of the comments received:

Premium Pellet Ltd. began the Stakeholder Consultation process with a Notification of Consultation Letter to affected stakeholders in the Supply Base Area on March 19th 2025 via email. The email sent provided information about the Supply Base Evaluation process, and included a letter and PDF providing a summary of Premium Pellet Ltd.'s SBE results of indicator risk. A Feedback form developed in Microsoft Forms was provided to the list of stakeholders. Microsoft Forms was used to create the feedback form.
As of April 30th 2025, 1 feedback form was filled out by a stakeholder and the comments have been addressed by Premium Pellet Ltd.

The interim BC Regional Risk Assessment was published by SBP on May 5th, 2025. There were adjustments to risk designations with Indicators 4.1.8, 4.2.1, 4.2.4, 4.2.6 and 4.2.7. Upon review of these indicators, the SBP document "Evaluation of the Programme for the Endorsement of Forest Certification scheme using the Framework for Benchmarking and recognition of certification schemes relevant to the scope of SBP certification" indicates that the requirements of PEFC are equivalent to those of SBP processing residues feedstocks carrying a valid PEFC claim can be considered as SBP-compliant feedstocks. The indicators have been included in the Supply Base Evaluation but have been designated as low risk and did not require an additional stakeholder engagement.

4.2 Response to stakeholder comments

Stakeholder description: Woodlots/Community Forsts

Stakeholder comment: Are there any incentives or long term business agreements that will ensure ongoing markets for low value fiber?We are very concerned about TAP Old growth areas especially if they are not endorsed by FN's.

Response to the stakeholder: The stakeholder was contacted 2 times in April 2025 via phone call, and finally May 27th 2025. Voicemail messages were left, phone number and contact information. No connection was made with stakeholder.

5 Report updates and approval

This document is: Updated SBR (surveillance audits/scope-change audits)

No changes

Name	Erik Andersen
Title	Report author
Date of report approval	07 May 2026

Name	Mark Roller
Title	Management representative
Date of report approval	07 May 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Canada
Area	British Columbia
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-BC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See the applicable BC Regional Risk Assessment (RRA) Indicator 2.2.10 (Regeneration) for the full assessment and associated mitigation measures relating to forest regeneration within the Premium Pellets supply base. The findings of this indicator were used to derive the following risk designations for the sourcing area: • Public Land (Low Risk) • Private Land (Specified Risk) The assessment considered the regulatory framework, forest management practices, and regeneration obligations applicable within British Columbia to determine the overall risk ratings for harvested areas within the supply base.
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-BC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing	N/A

area	
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See the applicable BC Regional Risk Assessment (RRA) Indicators 2.2.2 (Ecosystem Health), 2.2.3 (Soil Quality), 2.2.4 (Harvest Residues), and 2.2.9 (Harvest Levels) for the full assessment and associated mitigation measures related to maintaining soil productivity, ecosystem health, biodiversity values, and sustainable harvest levels within the Premium Pellets supply base. These indicators were used to derive the following risk designations for private land sourcing areas in British Columbia: Private Land: • 2.2.2 Ecosystem Health (Specified Risk) • 2.2.3 Soil Quality (Specified Risk) • 2.2.4 Harvest Residues (Low Risk) • 2.2.9 Harvest Levels (Specified Risk) The assessment considered applicable British Columbia legislation, forest management requirements, and operational practices relevant to harvesting activities within the supply base.
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See the applicable BC Regional Risk Assessment (RRA) Indicators 1.1.5 (Protection from Illegal Activities), 2.1.3 (Maintain or Enhance Biodiversity), 2.2.1 (Land Conversion), 2.2.2 (Ecosystem Health), 2.2.3 (Soil Quality), 2.2.4 (Harvest Residues), 2.2.5 (Water Quality), 2.2.9 (Harvest Levels), and 2.2.10 (Regeneration) for the full assessment and associated mitigation measures relating to maintaining or enhancing the long-term productive capacity of forests within the Premium Pellets supply base. These indicators were used to derive the following risk designations for the sourcing area: **Public Land:**

	• 1.1.5 Protection from Illegal Activities (Low Risk) • 2.1.3 Maintain or Enhance Biodiversity (Specified Risk) • 2.2.1 Land Conversion (Specified Risk) • 2.2.2 Ecosystem Health (Low Risk) • 2.2.3 Soil Quality (Low Risk) • 2.2.4 Harvest Residues (Low Risk) • 2.2.5 Water Quality (Low Risk) • 2.2.9 Harvest Levels (Low Risk) • 2.2.10 Regeneration (Low Risk) **Private Land:** • 1.1.5 Protection from Illegal Activities (Low Risk) • 2.1.3 Maintain or Enhance Biodiversity (Specified Risk) • 2.2.1 Land Conversion (Specified Risk) • 2.2.2 Ecosystem Health (Specified Risk) • 2.2.3 Soil Quality (Specified Risk) • 2.2.4 Harvest Residues (Low Risk) • 2.2.5 Water Quality (Specified) • 2.2.9 Harvest Levels (Specified Risk) • 2.2.10 Regeneration (Specified Risk) The assessment considered applicable British Columbia legislation, regulatory requirements, and forest management practices relevant to maintaining forest productivity, biodiversity, soil and water values, regeneration success, and sustainable harvesting within the Premium Pellets supply base.
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a) **primary forest** and other wooded land and **old growth forest,** namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Premium Pellets is committed to sourcing fibre in a manner that supports the protection and long-term management of old growth forests and other ecologically significant forest values within its British Columbia supply base. As part of the SBP

	due diligence and fibre sourcing program, Premium Pellets considers applicable provincial legislation, forest stewardship requirements, and spatially identified old growth conservation areas during fibre procurement and risk assessment activities. A spatial map analysis was completed for the primary feedstock sourcing area using current British Columbia Old Growth Management Area (OGMA) datasets and Old Growth Technical Advisory Panel (TAP) priority deferral polygons. The review assessed the geographic relationship between the identified primary feedstock sourcing locations and mapped old growth conservation areas. The analysis confirmed that the primary feedstock sourcing areas do not overlap with mapped OGMA reserves or TAP priority deferral polygons. This assessment supports the conclusion that primary feedstock supplied to the Premium Pellet operation is not sourced from provincially identified old growth management areas or temporary old growth deferral areas. Premium Pellets will continue to monitor available provincial spatial datasets and updates related to old growth management, including OGMA and TAP mapping layers, as part of its ongoing fibre due diligence and risk mitigation program. Applicable harvesting operations within the supply base are also expected to comply with British Columbia regulatory requirements related to biodiversity conservation, old growth retention, and forest stewardship planning.
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See the applicable BC Regional Risk Assessment (RRA) Indicators 2.1.3 (Maintain or Enhance Biodiversity) and 3.2.3 (HCV & HCS) for the full assessment and associated mitigation measures relating to the identification and protection of highly biodiverse forests, High Conservation Values (HCV), and High Carbon Stock (HCS) areas within the Premium Pellets supply base. These indicators were used to derive the following risk designations for British Columbia operations: **British Columbia – All Sub-Scopes:** - 2.1.3 Maintain or Enhance Biodiversity (Specified Risk) - 3.2.3 HCV & HCS (Specified Risk) The assessment considered applicable British Columbia legislation, land-use planning frameworks, biodiversity conservation measures, and forest management practices intended to protect ecologically significant areas and maintain biodiversity values across the supply base. For additional information, refer to the applicable SBP British Columbia Regional Risk Assessment
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological*	

characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-BC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-BC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:* *(a) **wetlands,** namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-BC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses	

referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-BC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	*Not applicable, requirement only applies to Level A*

LULUCF criteria 29(7)	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-BC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A

Annex 2a: EU RED II Supply Base Evaluation

Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

☐ Not Applicable (Processing Residues and/or post-consumer feedstock not used)

Verification and monitoring of suppliers

Premium Pellet Ltd.'s supplier feedstock is only processing residues. Post-consumer feedstock is not provided by suppliers and will not be further discussed.

As detailed in the Standard Operating Procedure, for each supplier, Premium Pellet Ltd. will retain records specifying:
- Name and address of the supplier
- Type of Supplier
- Sustainable Forest Management Certificate and Certification Number
- Categories of feedstock supplied (processing residues)
- Level of control required (i.e. visual inspection upon receipt, supplier audits)
- Self declaration that the feedstock qualifies as processing residues feedstock according to SBP.

Upon receipt of material, Premium Pellet Ltd. will visually inspect all processing residues to confirm their categorization of feedstock. For all processing residues received, Premium Pellet Ltd. will retain documentary evidence of the delivery and inspections carried out that confirm that the feedstock complies with SBP definitions.

Non-compliant feedstock, or documentation may be classified as non-eligible for input for SBP products, request correction of purchase documents, or invalidate suppliers temporarily or permanently. Any of these actions will be documented.

Feedstock inspection and classification upon receipt

Upon receipt, all processing residues and post-consumer feedstock shall be subject to visual inspection and classified as secondary feedstock.

For all processing residues and post-consumer feedstock received, the legal owner shall retain documentary evidence that the feedstock comply with SBP definitions. Different types of evidence shall be retained for inspection by the Certification Body, including feedstock samples, pictures, quality analysis reports, invoices, delivery notes and/or shipping documents, depending on the feedstock concerned.

Where adequate evidence for the classification of feedstock as secondary feedstock is not available at the point of receipt, the BP shall include the supplier in the supplier audit program.

In cases where feedstock received does not comply with purchase specifications and/or the quantities stated on the invoices are incorrect, the legal owner shall take immediate corrective actions. These actions shall be recorded and communicated to the CB during the annual audit.

For all processing residues, Premium Pellet Ltd. shall retain documentary evidence that feedstock complies with SBP definitions. If the supplier is unable to provide evidence for the classification of feedstock, Premium Pellet Ltd. will include the supplier in the supplier audit.

Supplier audit for processing residues and post-consumer feedstock

Annual, or more frequent on-site audits of suppliers will be conducted as part of the supplier audit for processing residues feedstock based on a justified sampling approach. Audits may be conducted by in-house staff, or contract an external, suitably qualified party to operate the supplier audit.

In cases where there is inadequate evidence at the point of receipt to confirm, Premium Pellet Ltd. will include the supplier in the supplier audit and conformance with the relevant SBP requirements shall be confirmed prior to the feedstock being used. Supplier declarations is not considered sufficient proof of origin and feedstock category.

In cases where feedstock received does not comply with the Procurement Policy, or the quantities stated on the invoices are incorrect, Premium Pellet Ltd. will take immediate corrective actions. These actions will be recorded and communicated to the Certification Body during the annual audit.

Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no EU RED sustainability requirements apply, only the GHG savings criteria apply (SBP EU RED Bridging ID v2.0 Section 1.1). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).

Not Applicable (RED II TOF not included)

Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).