



Control Union Certifications BV Evaluation of Canfor Energy North Limited Partnership - Chetwynd Compliance with the SBP Framework: Public Summary Report

Fourth Surveillance Audit

www.sbp-cert.org



The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.7

*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 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

Version 1.7: published 12 November 2022

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
2.1	Description of the company
2.2	Detailed description of the Chain of Custody system
3	Specific objective
4	Evaluation process
4.1	Timing of evaluation activities
4.2	Description of evaluation activities
4.3	Sampling methodology
4.4	CB stakeholder engagement
4.5	Stakeholder feedback
5	Results
5.1	Main strengths and weaknesses
5.2	Rigour of Supply Base Evaluation
5.3	Collection and communication of data
5.4	Competency of involved personnel
6	Review of company's risk assessments
6.1	Overview of company's risk assessments and mitigation measures
6.2	Specified risk indicators and mitigation measures
7	Non-conformities and observations
8	Certification decision

1 Overview

Certification Body (CB) Name:	Control Union Certifications BV
Primary CB contact for SBP:	Robin Rosendahl
Primary CB contact email:	rrosendahl@controlunion.com
Audit team leader:	Lennart Holm
Audit team members:	-
Name of the Company:	Canfor Energy North Limited Partnership - Chetwynd
Company legal address:	Chetwynd 4700-50th St Box180 Chetwynd, 4700 Chetwynd, Canada
Company contact for SBP:	Brittany Burnett
Company contact email:	brittany.burnett@canfor.com
Company website:	www.canfor.com
Installation date:	N/A
(production of heat, cooling or electricity from biomass has started)	
SBP Certificate Code:	SBP-06-25
Date of certificate issue:	27 Feb 2019
Date of certificate expiry:	26 Feb 2024
Audit closing meeting date:	25 Nov 2022
Audit cycle:	Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	☐
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes REDII SBE	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary	☐
Feedstock origin (countries):	Canada	☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	PEFC: CU-PEFC-849349	☐
	Credit	☐

2.1 Description of the company

Canfor Energy North Limited Partnership (CENLP) owns two pellets plants Canfor Energy North Limited Partnership Fort Saint John and Canfor Energy North Limited Partnership Chetwynd. Canfor Energy North Limited Partnership – Chetwynd (4701 50th St. NW, Chetwynd, BC V0C 1J0) is a pellet plant, whereas the Canfor Energy North Limited Partnership corporate office activities are located at the pellet plant in Fort St. John. The plant receives Sawdust/shavings and Planer Chips directly from the Canfor Sawmill next door as well as by truck from other sawmills in the area, as well as chips from roundlogs (primary feedstock). The pellet plant has 3 Andritz pellet presses and a pellet production capacity of approximately 125 000 mt/yr. The production started in Dec 28, 2015 and uses pine, spruce, fir. Sawdust and dry wood shavings, chips and planer chips are 100% from soft wood and used to make 6 mm diameter pellets. The belt dryer uses heat from their CHP plant utilizing bark. The electricity of the CHP is used by CENLP-Chetwynd for pellet production and excess electricity is delivered to the Canfor Saw mill next door. The pellets are loaded on trains to be shipped to the external storage facility of Fibreco in the port Vancouver. The logistics of the pellets is handled by Pacific BioEnergy as an cargo agent. The pellets are stored at the Fibreco as part of the comingling agreement between Pacific BioEnergy and Fibreco and at Fibreco the sea going vessels are loaded. Canfor Energy North Limited Partnership only utilizes sawmill residuals and chips. A large portion of the material can be traced back to sustainable Forest management system. Canfor Energy North Limited Partnership has a PEFC credit system to manage their Chain of Custody Certified suppliers provide claims attached to invoices and the credits are transferred to the organization. They have not sold any SBP certified pellets since 2020.

2.2 Detailed description of the Chain of Custody system

The Organisation is holding valid PEFC Chain of Custody certificate system and the person responsible for implementing the PEFC Chain of Custody system and also manages the organizations SBP management

system. The organization also verifies PEFC Controlled Sources through a DDS including a risk assessment covering British Columbia and Alberta. All wood fibre is tracked through the process from the District of Origin through the mill to the final bill of sale. The organization uses a database to gather and control information related to the feedstock such as supplier name, scale tickets, fibre type, certification, and district of origin. The organization has appropriate control mechanisms to calculate output volumes, claims and trademark/logo approval. The Organizations PEFC Chain of Custody system is based on the Volume Credit method, and all inputs to the production site are either received as XX% PEFC certified or sourced as PEFC Controlled Sources under the BP's PEFC Due Diligence System. Incoming feedstock is either secondary and consists of sawdust, shavings, wood chips and possibly hog, and primary being chips from roundlogs that are sawlog rejects from the sawmill next door. The organization has detailed and comprehensive procedures and databases to cover the necessary requirements regarding the SBP-approved Chain of Custody system.

3 Specific objective

The specific objective of this evaluation was to confirm that the company's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification. The scope of the evaluation covered:

- Review of the BP's management procedures, including requirements designated in applicable SBP Standards and Instruction Documents;
- Review of the production processes;
- Review of the Supply Base Report;
- Review of SBP system control points, analysis of the existing PEFC CoC system;
- Review of the records, calculations and conversion factors;
- GHG data collection analysis
- Interviews with responsible staff

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Lennart Holm	4,0
2. On-site (excl. travel time)	Lennart Holm	20,0
3. Report writing	Lennart Holm	6,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening Meeting</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/9.00
<i>Management System Overview</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/9.15
<i>Chain of Custody Registrations</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/9.45
<i>Output Claims</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/10.15

<i>Logo/Trademark Use</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/11.45
<i>Complaints Procedures</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/12.00
<i>Business integrity, social, health and safety requirements</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/13.15
<i>Suppliers and Suppliers Certificates</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/15.00
<i>Incoming Material Claims</i>	CENLP, Fort St John	Lennart Holm	22 Nov 2022/15.30
<i>Supply Base Report Review</i>	CENLP, Fort St John	Lennart Holm	23 Nov 2022/13.30
<i>GHG Data Registration</i>	CENLP, Chetwynd	Lennart Holm	25 Nov 2022/9.00
<i>Tour of the facility:</i> - <i>Receiving of materials</i> - <i>Wood Yard</i> - <i>Equipment used</i>	CENLP, Chetwynd	Lennart Holm	25 Nov 2022/15.30
<i>Cloising Meeting</i>	CENLP, Chetwynd	Lennart Holm	25 Nov 2022/17.00
<i>Visit to The port of North Vancouver</i>	Fibreco	Lennart Holm	30 Nov 2022/13.00

Auditor name	Role	Qualification
Lennart Holm	Lead Auditor	Lead SBP, GGL, SDE+ and FSC and PEFC FM/COC auditor and successfully passed the SBP auditor training programme

4.2 Description of evaluation activities

The audit was conducted by means of on-site visits of the pellet production in Chetwynd and office in Fort St John, British Columbia, Canada, as well as an on-site visit to the port of North Vancouver, Fibreco Terminal. On November 22, 2022 during the opening meeting, the scope was confirmed. The auditor also explained the methods to be employed during the audit. After the opening meeting, and during the following days, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists. The audit was completed by filling in the audit checklist and a closing meeting held on November 25, 2022 where the audit results were discussed. During this closing meeting it was also discussed how evidence can be submitted of corrective action with respect to non-conformities that may be identified during the audit. This report is the result of the findings of a certification evaluation carried out by an independent lead auditor representing Control Union Certifications. The purpose of the assessment was to evaluate the compliance of the client with respect to the standards used within the scope of the certificate.

People Interviewed:

Brittany Burnett, CENLP Accountant and CoC Responsible

Glenn Warkentin, Regional Controller

Barb Eddy, Human Resources Corporate Projects

Amber Desjarlais, Purchaser, Chetwynd

Austin Jessen, Edger, Chetwynd

Terrence Gash, Electrician, Chetwynd

Christin Douglas, Human Resource Assistante, Chetwynd

Darrel Chase, Millwright Mechanic, Chetwynd

Connie Spent, Receptionist, Chetwynd

Layton Koeneg, Safety Coordinator and Control Room Operator, Chetwynd

Sheldon Wheeler, Superintendent, Fort St. John/Chetwynd

Travis McCue, Regional Safety Specialist, Fort St. John/Chetwynd

David Leasy, Safety Coordinator, Fort St. John
Mike Adams, Plant Manager, Fort St. John/Chetwynd
Ross McMeekin, Millwright Mechanic, Fort St. John
Phil Stoddard, Supervisor, Fort St. John
Kyle Albersworth, Process Operator, Fort St. John
Hope Hanna, Divisional Accountant, Fort St. John
Karlene Thompson, Human Resources Assistante, Fort St. John
Brandon Tang, Logistics Manager, Fibreco Export Inc.

Critical control points, summary

Identified CCP Evaluation CCP

Sourcing and input check Check prior to sending the material by supplier and check upon request

Volume control PEFC Colume Credit Method, with x% PEFC certified input material

Reception and storage Reception and storage of material based on PEFC Volume Credit Method.

Labelling

No use of trademarks, however the company has not signed the addendum of the trademaragreement.
Risk of unauthorized trademark use.

Invoicing and shipping

All output materials are SBP Compliant

4.3 Sampling methodology

During the preparation of the audit, a sample plan was developed based on the following criteria: - A review of documentation related to energy and carbon data for the chosen reporting period of the SAR. - An evaluation of DTS, inputs and outputs, invoices and transport documentation. - Inspection of the pellet plant and interviews with staff. 1 port was visited, the port of North Vancouver. Canfor has not sold any SBP certified pellets since 2020. A sample of invoices and DTS registrations were inspected.

4.4 CB stakeholder engagement

N/A, fourth surveillance audit

4.5 Stakeholder feedback

N/A

5 Results

5.1 Main strengths and weaknesses

The audit of Canfor demonstrated a good level of compliance with the required criteria of Standard 2, 4 and 5. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected. The Non-Conformities presented in this report identify actions that must be taken in order to comply with the SBP system and its standards. The existence of a PEFC Chain of Custody system is considered a main strength with respect to the company's overall conformity with the relevant SBP standards. The company is also GGL certified.

Weaknesses identified: no SBP Certified sales.

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

The organization has in depth procedures for this in depth procedures for this. The auditor confirmed the Greenhouse Gas (GHG) sources for feedstock input from the forest, production at the facility, transportation to the port and storage and handling at the port and reviewed how the input data was measured. Findings were substantiated by on-site staff interviews with operations personnel on the overview of the operations at the facility, historical operations, changes to operations, procedures and processes used to maintain the facility, and procedures and processes used to ensure data quality. The company demonstrated full competency to analyse and report the required data on Greenhouse Gas emissions

5.4 Competency of involved personnel

The company has one person who has the main responsibility related to the SBP system. All personnel that are involved with SBP have received appropriate training whereby all relevant procedures and requirements have been covered. All training and instructions are based on the procedures as identified in company manuals, and training is provided by internal resources and recorded accordingly. Key personnel showed good knowledge of SBP requirements

6 Review of company’s risk assessments

6.1 Overview of company’s risk assessments and mitigation measures

N/A

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

N/A

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Robin Rosendahl
Date of decision:	31 Jan 2023
Other comments:	N/A