



Preferred by Nature OÜ Evaluation of Skeena Bioenergy Ltd Compliance with the SBP Framework: Public Summary Report

Fourth Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.8

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

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Yves Bouthillier
Audit team members:	James Hallworth (observer)
Name of the Company:	Skeena Bioenergy Ltd
Company legal address:	Suite 1518 – 1030 W. Georgia St, V6E 2Y3 Vancouver, Canada
Company contact for SBP:	Greg Demille
Company contact email:	greg.demille@skeenasawmills.com
Company website:	http://skeenasawmills.com/
Installation date:	N/A
(production of heat, cooling or electricity from biomass has started)	
SBP Certificate Code:	SBP-07-21
Date of certificate issue:	29 Apr 2019
Date of certificate expiry:	28 Apr 2024
Audit closing meeting date:	06 Apr 2023
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 1: Feedstock Compliance Standard; 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):	Yes	☐
Includes REDII scheme	No	☐
Includes REDII SBE	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Primary, Secondary	☐
Feedstock origin (countries):	Canada	☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	British Columbia, Canada	☐
Chain of custody system implemented:	PEFC: NC-PEFC-COC-053674 valid until 28/4/24	☐
	Credit	☐

2.1 Description of the company

Skeena Bioenergy is a biomass producer (BP) located in the town of Terrace, British Columbia, Canada. The BP operates a mill producing wood pellets mostly from secondary primary feedstock. The BP has a valid PEFC CoC certificate. The vast majority of the feedstock for the production of wood pellets is sourced as secondary feedstock (PEFC certified or controlled) from the BP's parent company (Skeena Sawmills) located next to the pellet mill, but the BP could source uncertified primary feedstock with its PEFC DDS or Supply Base Evaluation (SBE), depending on the certification claim requested by its clients (PEFC % or SBP-Compliant). All feedstock is sourced within the province of British Columbia. As of April 2023, the BP had not sourced yet using its SBE. The BP is implementing the PEFC credit method and for the moment, makes PEFC % sales. The amount of the PEFC certified biomass produced according to PEFC volume credit system can be sold as SBP-compliant biomass. The scope of the certification does not include the use of storage sites and all SBP sales are finalized FOB-rail at the railyard in Kitsumkalum approximately 4 km west from the pellet mill. Feedstock to the biomass production plant is delivered by road transport, bulk carrier trucks, from the Skeena Sawmills plant located next to the BP. The finished pellets are transported by bulk carrier trucks to the railyard site where pellets are loaded directly onto railway cars with no intermediate storage. The information about feedstock origin is available from agreements signed with all feedstock suppliers with requirement to provide the access to the information about origin, and also through the timber marks associated with each feedstock delivery, which is tracked in the Lumber Inventory Management System (LIMS).

2.2 Detailed description of the Chain of Custody system

The organisation holds PEFC Chain of Custody certificate NC-PEFC-COC-053674 and the SBP chain of custody is based on the PEFC CoC system. The Biomass Producer's PEFC Chain of Custody system is based on the Volume Credit method, and all inputs to the production shall either be received as XX% PEFC

certified or sourced as PEFC Controlled Sources under the BP's PEFC Due Diligence System. The organisation is producing wood pellets primarily from PEFC certified secondary feedstock (residues of primary wood processing), but also from a small percentage of primary feedstock in the form of "bush grind", forestry residues, sourced as controlled sources under their PEFC DDS. A PEFC mass balance system (Volume Credit system) is used for accounting of feedstock with 100% PEFC claim. After the reception, incoming feedstock is weighted and moisture measured. Accepted feedstock is unloaded into piles according to type of feedstock and is registered into the BP's record keeping system. PEFC mass balance accounts are updated once in a month: data about received raw materials by xx% PEFC certified material certification status and volume of sold pellets as PEFC % are recorded. In case of the PEFC and/or SBP sales, the corresponding volume of sold pellets is withdrawn from the credit account.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer'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 this evaluation also covered the Supply Base Evaluation and the mitigation measures describing herein.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of PEFC system control points, analysis of the existing PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis.
- Document review of SBE mitigation measures
- Site visits for demonstration of potential SBE sourcing and implementation of mitigation measures.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Yves Bouthillier	12,0
2. On-site (excl. travel time)	Yves Bouthillier	24,0
3. Report writing	Yves Bouthillier	16,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening Meeting</i>	Remotely (Teams)	Yves Bouthillier	30 Mar 2023/0.50
<i>CoC, BP management system, record keeping/mass balance requirements,</i>	Remotely (Teams)	Yves Bouthillier	30 Mar 2023/2
<i>Questions, general discussion, documentation</i>	Remotely (Teams)	Yves Bouthillier	30 Mar 2023/0.50

<i>request, interviews, field planning for Tues and Wed</i>			
<i>Emission and energy data and categorisation of input and verification of SBP biomass. Overall responsible persons interviewed</i>	Remotely (Teams)	Yves Bouthillier	30 Mar 2023/1
<i>Field visits: 4 sites</i>	Within supply base	Yves Bouthillier	04 Apr 2023/8.00
<i>Field visits: 4 sites</i>	Within supply base	Yves Bouthillier	05 Apr 2023/8.00
<i>Visit of mill and final review/discussions about evidence, GHG data</i>	Skeena Bioenergy Main office, Terrace, BC.	Yves Bouthillier	06 Apr 2023/3.50
<i>Closing meeting</i>	Skeena Bioenergy Main office, Terrace, BC	Yves Bouthillier	06 Apr 2023/0.50

Auditor qualification		
Auditor name	Role	Qualification
Yves Bouthillier	Lead Auditor	Yves is a Senior Forestry Specialist with Preferred by Nature (PbN) and a biologist with a specialization in conservation and environment and a master's degree in Earth Sciences. He has been working in the field of environmental certifications since 2014. Yves is

		qualified to audit the following standards: • FSC FM, CoC, CW • SBP • CoC for PEFC, SFI and RA
James Hallworth	Observer for SBP training qualifications	James is a Forestry Specialist with Preferred by Nature (PbN) and a Registered Professional Forester in Ontario with over 8 years of experience in forest and resource management. James has been with PbN since 2020, having completed ISO 14001:2015 and FSC/SFI FM/CoC/CW lead auditor courses. James has conducted over 50 audits to date. Responsibilities include managing a portfolio of clients across Canada regarding FM and CW/CoC certification.

4.2 Description of evaluation activities

Communications with the organization took place in the weeks leading up to the audit, to prepare for specific site visits and audit logistics. All SBP related documentation, including SBP Procedures, GHG data calculations/data sheet, Supply Base Reports, SAR, and PEFC system description was provided by the organization days in advance. Auditor reviewed these prior to starting the audit.

The remote audit began with an opening meeting on Thursday March 30, 2023 with Microsoft Teams, with attendance from all responsible persons, including operational and administration staff with all daily responsibilities for the BP's CoC and SBP procedures. See Appendix F for a list of staff interview, and those that were present during the opening and closing meetings. During the opening meeting the audit team introduced themselves, presented the audit objectives, clarified audit methodology and scope of the audit for 2023. The audit agenda was discussed.

Then, the auditor went through all applicable requirements of the SBP standards 1, 2, 4, 5 and instruction document 5E covering input clarification. The audit started with a review of the existing chain of custody and DDS systems for PEFC, BP management system, CoC, record keeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/biomass. During the process, overall responsible person for SBP system and over responsible staff as well as other staff having responsibilities within the system were interviewed. During the same day, a review of the supply base evaluation and its mitigation measures were reviewed and discussed. The audit also included review of documents check of calculations on GHG emission data reported by the BP, and any follow up questions with staff. Follow up interviews were conducted with all staff relevant to the critical control points and key responsibilities in relation to the reception, production, storage and sales of the certified products. Attention was focused on practical implementation aspects of the SBP system, review of documents and system, evaluation of input material classification (reception and registration), analysis of the critical control points in existing CoC system and PEFC system control points as well as correctness and availability of GHG data.

The remote audit was followed by an on-site audit on Tuesday, Wednesday and Thursday April 4-6, 2023. Visit to several different forest harvest types sites, one supplier of residuals (sawmill) and storage site of residuals owned by the BP occurred on April 5-6. A site tour of the mill occurred on Thursday April 6, 2023, with review of production facilities and equipment, review of feedstock reception process, feedstock storage and final product storage. The site tour was followed with a final discussion about the evidence provided and concluded with a closing meeting with attendance by responsible persons (see Appendix F, for list of attendees). At the closing meeting the audit team presented the audit findings and the audit conclusion was provided to attendees. During the closing meeting the auditor also presented a few points for follow-up with, and sent a document summarizing the

4.3 Sampling methodology

See section 4.2 above about staff interviews and document review. At the time of the 2023 audit, the BP hadn't started to source uncertified feedstock using its SBE. The BP plans on starting to source using its SBE later in 2023. Due to the moment of the audit (transition between winter and spring), site access to harvest sites was limited. The auditor aimed to visit 11 sites, but only 6 harvest sites could be visited, complemented by a visit to a supplier of residuals and storage site owned by the BP for residuals. Regarding GHG data, the auditor reviewed procedures, management systems, invoices for fuel/electricity consumption, completed a site tour and interviewed relevant staff in charge of these calculations.

4.4 CB stakeholder engagement

None during the 2023 audit. The stakeholder consultation for the first year of the SBE was carried out on 11th February 2022 by sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions. No comments from the stakeholders were received.

4.5 Stakeholder feedback

No comments from the stakeholders were received.

5 Results

5.1 Main strengths and weaknesses

Strengths: SBP system elements are implemented by a small number of experienced and qualified management staff. There are clear designated responsibilities within the staff members. Feedstock received with PEFC certification claim only. The BP has thorough and credible systems for data acquisition, documentation and reporting for GHG, CoC and production.

In overall the main strength of the BP is in relatively simple scope and use of secondary feedstock, which is all supposed to be received as PEFC Certified and therefore can be sourced without the need for a Supply Base Evaluation. There is access to necessary information regarding the Forest Districts / TSA area of origin through own records, publicly available records of felling permits. With this, the geographical location of the stand can be confirmed as being inside the defined Supply Base. SBE mitigation measures were still being clarified at the time of the 2023 surveillance audit.

Weaknesses: See NCR section.

5.2 Rigour of Supply Base Evaluation

At the time of the 2023 audit, the BP hadn't started to source uncertified feedstock using its SBE. The BP plans on starting to source using its SBE later in 2023.

The company has conducted a rigorous supply base evaluation. Skeena Bioenergy conducted the Supply Base Evaluation over the course of the winter in 2021/2022. The SBE was performed by both 'in house' staff and an external party contracted to perform the SBE. The contracted external party (Hopkin Forest Management Ltd.) was appointed to assist with the analysis of the Supply Base Area (spatially), and the write-up of findings and mitigation strategies. The SBR and SBE was developed in conjunction with the external party who has many years of experience with certification schemes and processes, but reviewed, updated and entered into the SBP portal by the EMS Coordinator for Skeena Bioenergy.

In order to monitor suppliers within the Supply Base, Skeena Bioenergy has created a monitoring program specific to receiving feedstock from Uncertified Private Lands within the Supply Base Area. This program consists of providing information such as Skeena Bioenergy's Procurement Policy, Best Management Practices, and in-field inspections of feedstock which has the potential to come from Specified Risk Areas.

5.3 Collection and communication of data

The data had been provided prior to the audit and verified and validated at the time of audit. The BP mainly uses secondary feedstock, with a small additional amount of primary feedstock in the form of forestry residues. The BP has documentation and justifications for energy and fuel use in the production of pellets, and a simple transport scheme with endpoints at the BP pellet mill in Terrace, B.C. and at the Kitsumkalum railyard in Terrace, BC. The accuracy and completeness of GHG data is evaluated as average since the plant has been out of commission due to a fire, and the fuel use for the loaders used on site had relied on justified assumptions, rather than actual metering.

5.4 Competency of involved personnel

During the audit responsibilities and competencies of staff members involved in the SBP system management and maintenance were evaluated. The harvesting supervisor has been appointed overall responsible for the SBP and PEFC CoC systems, while the plant superintendent was found to have detailed knowledge of all aspects of the feedstock sourcing, pellet production and final product characteristics and logistics. The harvesting supervisor and plant superintendent are supported by administrative staff, and good understanding of own procedures and standard requirements were confirmed by the audit team.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

The BP added the SBE to its scope during the 2022 audit. At the time of the 2023 audit, the BP hadn't started to source uncertified feedstock using its SBE. The BP plans on starting to source using its SBE later in 2023.

During the 2023 audit, the auditor closely examined the supply base evaluation conducted by the organisation. Skeena Bioenergy conducted the Supply Base Evaluation over the course of the winter in 2021/2022. The SBE was performed by both 'in house' staff and an external party contracted to perform the SBE. The contracted external party (Hopkin Forest Management Ltd.) was appointed to assist with the analysis of the Supply Base Area (spatially), and the write-up of findings and mitigation strategies. The SBR and SBE was developed in conjunction with the external party who has many years of experience with certification schemes and processes, but reviewed, updated and entered into the SBP portal by the EMS Coordinator for Skeena Bioenergy.

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The auditors conducted field visits to a sample of different harvest types from suppliers and sub-suppliers, and focussed on areas of specified risk to assess the mitigation measures in place.

6.2 Specified risk indicators and mitigation measures

Country:
Canada

Indicator:
2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description:
Forest management activities may pose a threat or impact HCVs. HCVs can best be conserved/managed if their location is known. Provincially this indicator was determined to be specified risk due to the absence of legislation governing or the implementation of forest management planning or best management practices that would result in the identification and mapping of HCVs on other private land in BC. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped applicable provincially available data sets for HCV1 – HCV6 values, where confidentiality is not a concern. 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy acknowledges that sawmills which produce secondary feedstock may procure roundwood from private lands. All private land roundwood is identified by a timbermark and is traceably via HBS for that sawmill scale. Further it is acknowledged that sawmills may not subscribe to the same certification requirements as Skeena Bioenergy 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. Skeena Bioenergy's will maintain volume estimates of private land for secondary feedstock received. Depending on the scale and intensity of the specified risk for the private land, Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

Provincially this indicator was determined to be specified risk because depending on when and/or where cutting permits were being approved, the plans and implementation of practices were varied and the effectiveness on caribou and caribou habitat was questioned. Caribou is a Federally listed species at risk, and therefore legislative requirements affects all ownership types (sub-scopes). Harvesting is allowed when the practices meet or exceed Federal Recovery Plan and/or provincial GAR order. Within Skeena Bioenergy's SBA, provincially approved Caribou habitat polygon data and Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations on Crown land and private land (SBV: Critical Habitat Map - THLB). The analysis has provided a listing of the organizations that may be harvesting in or overlapping with caribou habitat (SBV: HBS Client list). From this list, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: - uncertified Crown Land harvesting – no proposed harvesting - uncertified Private Managed Forest Land (PMFL) – does not exist in SBA – n/a - uncertified Other Private Land – proposed harvesting (0 ha) Based on this analysis, it is determined that this is negligible opportunity for supply of feedstock from caribou habitat as the potential feedstock from the OPL harvesting is a significant haul distance for Skeena Bioenergy and other producers are closer to that area. However, following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1). In addition, Skeena Bioenergy's Certification Forester will request the applicable plan information to verify conformance with the Federal Recovery Plan &/or Provincial GAR Order that has been approved (RM#2). If/when harvesting is complete, forest management practices will be confirmed as conformance via provincial government C&E database.

If the suppliers' practices do not conform to required regulatory framework, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to accommodate the deficiency (RM#3). Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- uncertified Crown Land – RM#1, RM#2, RM#9
- uncertified Private Managed Forest Land (PMFL) – n/a
- uncertified Other Private Land – RM#1, RM#2, RM#3, RM#9

Secondary Feedstock

Skeena Bioenergy 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 within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1). Skeena Bioenergy acknowledges that some sawmills may or may not be forest managers and can control the forest management practices, however, based on the Skeena Bioenergy's GIS Analysis they are able to pre-determine potential specified risk polygons, and identify the organization that is the licensee. For this reason, Skeena Bioenergy may be able to request/review applicable plans to verify conformance with applicable to the Federal Recovery Plan &/or Provincial GAR Order that has been approved (RM#2). If/when harvesting is complete, forest management practices will be confirmed as conformance via provincial government C&E database.

- uncertified Crown Land – RM#1, RM#2
- uncertified Private Managed Forest Land (PMFL) – n/a
- uncertified Other Private Land – RM#1, RM#2

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- uncertified Crown Land – RM#1, RM#5, RM#8, RM#9
- uncertified Private Managed Forest Land (PMFL) – n/a
- uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

Provincially this indicator was determined to be specified risk because IFLs are not provincially recognized, and there are not requirements to conserve them. IFL mapping has been completed under the FSC National Risk Assessment (NRA) and is nationally accepted to be credible. Skeena Bioenergy has used the publicly available logic, data and polygons for the identification of all IFLs within the SBA (SBV: Skeena IFLs - THLB Map) from the FSC NRA. Provincial Timber Harvesting Land Base (THLB) polygons were overlaid on the IFL polygons to determine the maximum potential hectares that could impact an IFL, if in fact the entire THLB was harvested over time (SBV: see the table provided on the Skeena IFLs - THLB Map). Based on this mapping exercise and adopting the logic for risk designation by FSC NRA, it has resulted in only one IFL being specified risk (SBV: NAM_233). Further, the Skeena Bioenergy mapping exercise confirmed that IFLs did not intersect any private land (both other private land and PMFL sub-scopes). Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations on Crown land and private land. The analysis has provided a listing of the organizations that may be harvesting in or overlapping with NAM_233 (SBV: HBS Client list). From this list, Skeena Bioenergy has identified potential suppliers by sub-scope.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Since there are no provincial regulations on IFLs, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3). Skeena Bioenergy will maintain volume estimates of the primary feedstock received from IFLs. Skeena Bioenergy will adopt the thresholds from FSC NRA (2019) and will phase-out the procurement of this specified risk (RM#4) over the next 5 years. A related risk mitigation is the verification of 'best/better use' (RM#5) of the primary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- uncertified Crown Land – RM#1, RM#3, RM#4, RM#5, RM#9
- - uncertified Private Managed Forest Land (PMFL) – n/a
- - uncertified Other Private Land – n/a

Secondary Feedstock

Skeena Bioenergy 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 within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1). Skeena Bioenergy will adopt the thresholds from FSC NRA (2019) and will phase-out the procurement of this specified risk (RM#4) over the next 5 years. A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

-
- - uncertified Crown Land – RM#1, RM#4, RM#5
- - uncertified Private Managed Forest Land (PMFL) – n/a
- - uncertified Other Private Land – n/a

Tertiary Feedstock

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

-
- - uncertified Crown Land – RM#1, RM#5, RM#8, RM#9
- - uncertified Private Managed Forest Land (PMFL) – n/a
- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:

Canada

Indicator:

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding Forest management activities may pose a threat or impact HCVs. HCVs can best be conserved/managed if potential threats are identified and addressed with appropriate implementation. Specifically, HCV3 is the management of rare, threatened, endangered species and ecosystems. Due to limited legislation and lack of best management practices, monitoring and/or data for HCV3 on other private land, a specified risk designation is determined. NOTE: this indicator is similar to Indicator 2.2.3. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped any provincially available

data sets for rare, threatened, and endangered species and ecosystems. 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: - uncertified Other Private Land – potential harvesting exists. Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding Forest areas that provide basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes. HCV4 include critical resource or landscape features that provide important ecological services, such as water flow regulation and control of erosion. On other private lands, owners are required to comply with the provincial Water Sustainability Act which protects water catchments and prevents erosion of vulnerable soils and slopes, but there are no consistent verifiable implementation mechanisms and/or monitoring in place. As a result, for HCV4 on other private land, a specified risk designation is determined. NOTE: this indicator is similar to Indicator 2.2.6. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped applicable provincially available data sets for critical ecosystem services. 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:
2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Specified Risk Uncertified Private Land ☒ Specified Risk Finding Forest areas fundamental to meeting basic needs of local communities or indigenous peoples (e.g. for livelihoods, health, nutrition, water, etc.) identified through engagement with these communities or Indigenous Peoples is the principle of HCV5. Following the results of the RRA, subsistence water is the focus of HCV5. On other private lands, owners are required to comply with the provincial Water Sustainability Act which protects water catchments and prevents erosion of vulnerable soils and slopes. Due to limited legislation and lack of best management practices, monitoring and/or data for HCV5 on other private land, a specified risk designation is determined. NOTE: this indicator is similar to Indicator 2.5.2. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped applicable provincially

available data sets for community watersheds and water licences. All private land roundwood is identified by a timbermark and is traceably 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: - uncertified Other Private Land – potential harvesting exists. Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.1.3 The BP has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding 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 that 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. Because the scale and rate of conversion in a region depends on local factors, the assessment of this indicator considers the provincial rate of deforestation, the economic drivers of deforestation and the cumulative impacts of deforestation caused by activities of all sectors. On 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. Based on this, the designation for other private land is specified risk. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.2.1 The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding The requirements, mechanisms, and process for completing assessment of impacts of forest management, as well as the planning, implementation and monitoring to minimize those impacts was described in the RRA for applicable indicators within Criterion 2.2 – Ecosystem Function (see individual indicators for more details), as well as for Indicator 2.1.1 and 2.1.2 (identification, mapping, and impact assessments). Due to the limited legislation governing forest management planning, and lack of best management practices and monitoring on other private land, as well as the range of variance in local bylaws surrounding development, a specified risk is designated. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped applicable provincially available data sets for planning needs, where confidentiality is not a concern. 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:**Primary Feedstock**

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:

Canada

Indicator:

2.2.2 The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Lands ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding Potential threats from forest management activities (i.e., harvesting, and roadbuilding) 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. Due to limited legislation and lack of best management practices, monitoring and/or data on other private land, a specified risk is designated. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:

Canada

Indicator:

2.2.3 The BP has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Lands ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding 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 to disturbance. Due to limited legislation and lack of best management practices, monitoring and/or data for this indicator on other private land, a specified risk designation is determined. NOTE: this indicator is similar to Indicator 2.1.2 – HCV3. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped any provincially available data sets for rare, threatened, and endangered species and ecosystems. All private land roundwood is identified by a timbermark and is traceably 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:**Primary Feedstock**

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Country:

Canada

Indicator:

2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Specified Risk Uncertified Private Managed Forest Land ☒ Specified Risk Uncertified Private Land ☒ Specified Risk Finding On crown land, the province requires Old Growth Management Areas (OGMAs) to be spatially identified in Forest Stewardship Plans (FSPs) where old growth orders are in effect. However, where there is not an old growth order in force, plan authors have the option of including "non-legal" OGMAs in their FSPs. Provincially this indicator was determined to be specified risk on crown land because of the variability in management of old growth, the uncertainty to the amount of old growth remaining and the lack of province's ability to track implementation and compliance especially for aspatial old growth management. On private land, both PMFL or other private land old growth is not required to be managed. Within Skeena Bioenergy's SBA, spatial OGMAs allocated by the Government have been in place for several years. The provincially approved OGMA polygons have been mapped on crown land (SBV: Old Growth Management Areas Map). Additionally, Skeena Bioenergy has mapped/identified all forested private land parcels within 100 metres of provincially approved OGMAs. OGMA polygon data and Provincial government cutblock data (HBS) was used to complete a GIS analysis to determine current and future harvest operations on Crown land and private land. The analysis has provided a listing of the organizations that may be harvesting in/or overlapping with OGMA (SBV: HBS Client list). From this list, Skeena Bioenergy has identified potential suppliers by sub-scope. Recent maps, requirements and guidance following the completion of the Government led Old Growth Strategic Review are currently being rolled out. At this time, the implementation of the recommendations is unclear/uncertain. However, Skeena Bioenergy has incorporated the appropriate government maps in to the GIS Analysis. 2021 Analysis indicates: - uncertified Crown Land harvesting – proposed harvesting - uncertified Private Managed Forest Land (PMFL) – does not exist in SBA – n/a - uncertified Other Private Land – potential overlap/adjacency with old growth areas Based on this analysis, it is determined that there is opportunity for the supply of feedstock from old growth stands. Skeena Bioenergy will implement a consistent due diligence system and has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:
2.2.5 The BP has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Lands ☒ Specified Risk Uncertified Private Land ☒ Specified Risk Finding The SBP Standard states that 'residue' includes treetops and branches. The normal practice in BC is for tops, branches, and cull material to be left at the roadside where the trees are processed, while other types of biomass, such as standing dead trees and unmerchantable species, as well as downed woody debris, are left within the cutblock. Stumps are not removed but left in situ. Fibre left 'in-block' to address ecological values is assessed under Indicator 2.2.4 – Biodiversity and Indicator 2.2.2 – Soil Quality (see those indicators for more details). Following the guidance of the RRA, post-harvest post-processing 'waste' and 'residue' produced because of primary harvesting, and left at roadside, is 'residue available for removal' in the context of this indicator and does not appear to be any threats/impacts to the ecosystem. As required by legislation all industrial activities (regardless of ownership type) must assess and abate fire hazard, resulting in removal of waste and residue typically through pile burning (for more details see Indicator 2.2.7 – air quality and Indicator 2.4.2 – managing for natural processes, such as wildfire). Due to limited legislation and lack of best management practices, monitoring and/or data on other private land, a specified risk is designated. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:**Primary Feedstock**

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:

Canada

Indicator:

2.2.6 The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Lands ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding 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, loss of water quality for domestic use and alteration of peak flows that may result in increased flooding. Due to limited legislation and lack of best management practices, monitoring and/or data on other private land, a specified risk is designated. NOTE: this indicator is similar to Indicator 2.1.2 – HCV4. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped applicable provincially available data sets for community watersheds and water licences. 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates:

- - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.3.1 Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Lands ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding The requirement of this indicator is for an analysis to demonstrate feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data. The intent of this indicator is more applicable to industrial/commercial operations, of which harvesting on other private land does not fall into that level of intensity. Forest productivity can be reduced if harvesting causes levels of site disturbance that reduce future growth capacity or if excessive amounts of biomass are removed from the site. Indicator 2.2.2 covers the impacts of forest management activities on soils and Indicator 2.2.5 discusses residue removal. The assessment of this indicator will confine itself to the impact of feedstock harvesting on the long-term timber production capacity of the forest. Other private land sub-scope is not regulated or managed with respect to harvest sustainability as defined by this indicator. As other private land is often either agricultural or intended for development (approx. 1.2m hectares provincially), there is little information available regarding the timber land base and/or forest management on other private land. Due to the lack of legislation, best management practices, monitoring and/or data on other private land, a specified risk is designated. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:
2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).

Specific risk description:
Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Lands ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding In a sector such as forestry, where the

occupational injury rate is well above the average for all occupations, operator training goes together with health and safety, since as much of the training involves learning safe practices as learning how to operate a piece of equipment or carry out a certain task. There is a wide range of training that takes place in a modern workplace, covering everything from Occupational Health and Safety, WHIMIS, and employee behaviour to training required to use equipment, work with Company information, and understand legislative requirements. Training is a requirement under the Workers Compensation Act. Indicator 2.8.1 reviewed the health and safety framework in the BC forestry sector. The assessment of that indicator covered health and safety training – this assessment of Indicator 2.3.2 covers the BC infrastructure for forest planning and operations training. For this indicator forest activities on Crown land and PMFL are considered within ‘industry standards’ and likely receive a more comprehensive training system than for smaller ‘non-industry-operations’ occurring on other private land. Inadequate training not only puts employees at risk of being involved in accidents that may cause injury or worse, it also may lead to spills and other environmental damage, as well as non-compliance with operational plans /regulations. Based on these considerations, a comprehensive training system is considered to exist throughout the industry and this indicator is assessed as low risk for crown and PMFL sub-scopes. However it is unlikely that a comprehensive training system exist for smaller ‘non-industry-operations’ such as those on other private land resulting in specified risk. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy’s SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of ‘best/better use’ (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:

Canada

Indicator:

2.4.1 The BP has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding The SBP standard states that health and vitality relate to a forest ecosystem's ability to withstand change. Suggested indicators include the level of disturbance, changes in biodiversity, and /or the presence or absence of key indicator species. The requirement of this indicator is to maintain or improve the health, vitality and other services provided by the forest ecosystems which is related to several indicators already discussed (i.e., 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.3.1, 2.9.2). The assessment of this indicator will focus on the sustainability of forest management and how resilience is supported. Management that reduces the resilience of forests or impedes, alters, or disrupts ecological functions makes forests more susceptible to degradation and irreversible losses or damage. On other private land, there are few regulatory requirements, and these are specific in nature, hence there is no overall direction or requirement that other private forest land should be managed to create a resilient forest. In addition, many of the related indicators mentioned in the first paragraph were designated as specified risk. By default, other private land sub-scope is also assessed as specified risk for this indicator. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). 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, Skeena Bioenergy has identified

potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a

justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.5.1 The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected (CPET S9).

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒
Specified Risk Uncertified Private Land ☒ Specified Risk Finding The primary threat occurs when insufficient identification and/or documentation of the legal, customary, and traditional tenure and use rights of Indigenous People does not ensure these rights are respected. Currently legislation is specific to crown land. However, the Heritage Conservation Act (HCA) is applicable on private managed forest lands. The HCA protects archeological sites and requires that all sites (including potential sites) be reported, however there are no consistent verifiable monitoring and/or reporting in place. Due to limited legislation and lack of best management practices, monitoring and/or data for this indicator, a specified risk designation is determined for other private land. NOTE: this indicator is similar to Indicator 2.1.2 – HCV6. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). Due to confidentiality, no maps or data is publicly available for cultural identity. 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.5.2 The BP has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfillment of basic needs.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding Resource based activities can potentially have a negative impact on the maintenance of basic needs of local communities or indigenous peoples. Following the results of the RRA, the quality of the local water supply is the focus of this Indicator. On other private lands, owners are required to comply with the provincial Water Sustainability Act which protects water catchments and prevents erosion of vulnerable soils and slopes. Due to limited legislation and lack of best management practices, monitoring and/or data on other private land, a specified risk designation is determined. NOTE: this indicator is similar to Indicator 2.1.2 – HCV5. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). In addition, Skeena Bioenergy has mapped applicable provincially available data sets for basic needs, where confidentiality is not a concern. 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.9.2 Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding This indicator references the capability of the forest to store carbon, and while forest carbon budget models are available for assessing carbon budgets over time, the level of the annual allowable cut (AAC) also serves as a reasonable surrogate for forest carbon balance. (The long-term sustainability of the harvest is assessed in Indicator 2.3.1.). If the AAC is stable or increasing over time, that suggests that this indicator is being met for the entire forest estate. As stated in Indicator 2.3.1, AAC is more applicable to industrial/commercial operations, of which harvesting on other private land does not fall into that level of intensity. NOTE: this indicator is similar to Indicator 2.3.1 – Long-term production capacity. Regardless, the threat implicit in this indicator is that overharvesting or conducting harvest and related operations in such a manner that the productivity of the site is damaged, or renewal is delayed has the potential to reduce the productivity of the forest and its capacity to sequester carbon. Forest management is very lightly regulated on other private land and there is no set allowable harvest limit. Due to the lack of legislation, best management practices, monitoring and/or data on other private land, a specified risk is designated. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: • - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding Forest areas critical to local communities traditional cultural identity is the principle of HCV6. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples. The Heritage Conservation Act (HCA) is the applicable measure on private managed forest lands. The HCA protects archeological sites and requires that all sites (including potential sites) be reported, however there are no consistent verifiable monitoring and/or reporting in place. Due to limited legislation and lack of best management practices, monitoring and/or data for HCV6, a specified risk designation is determined for other private land. NOTE: this indicator is similar to Indicator 2.5.1. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). Due to confidentiality, no maps or data is publicly available for cultural identity. All private land roundwood is identified by a timbermark and is traceably 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- - uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

Country:
Canada

Indicator:
2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

Land Type Risk Uncertified Crown Land ☒ Low Risk Uncertified Private Managed Forest Land ☒ Low Risk Uncertified Private Land ☒ Specified Risk Finding Forest areas critical to local communities traditional cultural identity is the principle of HCV5. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples. The Heritage Conservation Act (HCA) is the applicable measure on private managed forest lands. The HCA protects archeological sites and requires that all sites (including potential sites) be reported, however there are no consistent verifiable monitoring and/or reporting in place. Due to limited legislation and lack of best management practices, monitoring and/or data for HCV6, a specified risk designation is determined for other private land. NOTE: this indicator is similar to Indicator 2.5.1. Skeena Bioenergy has mapped all forested and non-forested private land parcels within the SBA (SBV: Private Property Maps 1-4). Due to confidentiality, no maps or data is

publicly available for cultural identity. All private land roundwood is identified by a timbermark and is traceably 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, Skeena Bioenergy has identified potential suppliers by sub-scope. 2021 Analysis indicates: - uncertified Other Private Land – potential harvesting exists Based on this analysis, it is determined that there is an opportunity for the supply of feedstock from uncertified private land. Following a consistent due diligence system, Skeena Bioenergy has provided risk mitigation for this indicator.

Mitigation measure:

Primary Feedstock

Skeena Bioenergy 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 Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Prior to procurement, Skeena Bioenergy will provide a set of BMPs &/or direct the suppliers to address the deficiency (RM#3) of all specified risks. Additionally, Skeena Bioenergy will complete a field checklist verification (RM#7) 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.

Verification of 'best/better use' (RM#5) of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate. Alternatively, Skeena Bioenergy may avoid purchasing the primary feedstock (RM#9).

- uncertified Other Private Land – RM#1, RM#3, RM#5, RM#7, RM#9

Secondary Feedstock

Skeena Bioenergy 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 (RM#1).

Skeena Bioenergy will establish a threshold using 2021 as a baseline and either phase-out the procurement (RM#4) or set as an annual threshold (RM#8). A related risk mitigation is the verification of 'best/better use' (RM#5) of the secondary feedstock, as opposed to ending in debris piles to be open-burned or left to decompose.

- uncertified Other Private Land – RM#1, RM#4, RM#5, RM#8

Tertiary Feedstock

Skeena Bioenergy will provide all suppliers of tertiary feedstock (i.e. pre- and post-consumer) with their Procurement Policy that informs the supplier of the specified risks within Skeena Bioenergy's SBA and the need to mitigate any risk prior to procurement (RM#1).

Skeena Bioenergy will implement an approach to assess the 'best/better use' of the feedstock (RM#5). This approach requires the comparison of the use of the feedstock by Skeena Bioenergy, as opposed to ending in debris piles to be open-burned or left to decompose. Based on this Skeena Bioenergy will establish a

justifiable maximum annual percentage (i.e. 5%) of tertiary feedstock to procure and track/report the amounts (RM#8).

Alternatively, Skeena Bioenergy may consider that the uncertainty in verifying both the district of origin and applicable specified risks may be too great and the alternative use of the feedstock (as identified in RM#5) is the most responsible, therefore they will avoid purchasing the tertiary feedstock (RM#9).

- - uncertified Other Private Land – RM#1, RM#5, RM#8, RM#9

7 Non-conformities and observations

NC number NC-003224 (01/22)	NC Grading: Major
Standard:	SBP Standard 1: Feedstock Compliance Standard
Requirement:	2.1 General Principles
Description of Non-conformance and Related Evidence:	
2022 audit: The regional risk assessment for British Columbia designates 2.1.3 as specified risk on uncertified private land. While the overall risk of conversion from forests to non-forest use is low for the province (particularly on Crown and uncertified private managed forest land), the SBE does not acknowledge the potential for the conversion of forest to non-forest land use from industrial development, such as that from the oil and gas sector. The supply base of the organization includes areas of expanding industries that may convert a landscape, on private or Crown land. The SBR and field audit checklist, provided during the audit, did not fully address the potential risks of feedstock coming from these sources entering their supply chain as SBP compliant. Auditor confirmed no feedstock was sourced from private land under the SBE, the NCR is considered minor.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	- SBR and SBE - Supply agreements, timber marks - Communications with client
Findings for Evaluation of Evidence:	2023 audit: The BP hasn't start sourcing feedstock using its SBE but plans on doing so sometime in 2023. However, no significant changes were made in the SBE risk description and risk mitigation to properly acknowledge the potential for the conversion of forest to non-forest land use from industrial development, such as that from the oil and gas sector. The supply base of the organization includes areas of expanding industries that may convert a landscape, on private or Crown land. This NCR is upgraded to Major.
NC Status:	Open

NC number NC-003222 (02/22)	NC Grading: Major
Standard:	SBP Standard 1: Feedstock Compliance Standard
Requirement:	2.5 Components of a Supply Base Evaluation

Description of Non-conformance and Related Evidence:	
2022 audit: The regional risk assessment for British Columbia designates 2.5.1 as specified risk on private land. It was not clear from the SBR and field audit checklist, how the risk of sourcing feedstock from areas of specified risk is addressed. Auditor confirmed no feedstock was sourced from private land under the SBE, the NCR is considered minor	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	- SBR and SBE - Supply agreements, timber marks - Communications with client
Findings for Evaluation of Evidence:	2023 audit: The BP hasn't start sourcing feedstock using its SBE but plans on doing so sometime in 2023. However, no significant changes were made in the SBE risk description and risk mitigation to properly acknowledge the potential for the conversion of forest to non-forest land use from industrial development, such as that from the oil and gas sector. The supply base of the organization includes areas of expanding industries that may convert a landscape, on private or Crown land. This NCR is upgraded to Major.
NC Status:	Open

NC number NC-003223 (03/22)	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.3 The BP management system shall document all necessary procedures.
Description of Non-conformance and Related Evidence:	
2022 audit: Standard 2 requires the organization to develop and document all necessary procedures for monitoring the management system. Some risk mitigation and field verification measures (e.g. mapping tools and detailed supplier information), was sufficiently demonstrated during the audit. However, mitigation for some requirements, such as 2.1.3 (conversion of areas outside private land) and 2.5.1 (Indigenous customary and traditional rights) (see NCRs 1 and 2), lacks clarity.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	- SBR and SBE - Supply agreements, timber marks - Communications with client
Findings for Evaluation of Evidence:	2023 audit: The BP hasn't start sourcing feedstock using its SBE but plans on doing so sometime in 2023. However, no significant changes were made in the SBE risk description and risk mitigation to address risks under indicators 2.1.3 and 2.5.1. See respective findings. This NCR is upgraded to Major.

NC Status:	Open
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NC number NC-003225 (04/22)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	3.3.2 The characteristics of biomass shall be able to be traced back to the characteristics and quantities of incoming feedstock, taking into account the applicable conversion factors
Description of Non-conformance and Related Evidence:	
The data collection for the feedstock received for the period of the SAR did not include the full characteristics and quantities of incoming feedstock for the all feedstock used in 2021 production period.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Organisation updated data for SAR and resubmitted for review.
Findings for Evaluation of Evidence:	Data was deemed to be accurate and correct.
NC Status:	Closed

NC number NC-003382 (01/23)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.
Description of Non-conformance and Related Evidence:	
2023 audit: The BP's Supply Base Report (SBR) does not provide all details required in the SBR template (ex. section 2.2). See SBP SBR template for details required to be provided.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date

Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-003380 (OBS 01/23)	NC Grading: Observation
Standard:	SBP Standard 1: Feedstock Compliance Standard
Requirement:	2.1 General Principles
Description of Non-conformance and Related Evidence:	
2023 audit: The BP has included mitigation measure RM#5 for this risk: "Verification of 'best/better use' of the primary feedstock from private land, as opposed to ending in debris piles to be open-burned or left to decompose may be appropriate." Each risk, like this one, is addressed with different mitigation measures. This mitigation measure (RM#5) is also used for some other risks (ex. 2.1.2, 2.1.3), but the SBE does not explain clearly how it mitigates the risk, especially when it relates to the protection of values and to prevent conversion. The BP should consider reviewing the relevance of this mitigation measure for each risk and provide more details as needed on how RM#5 mitigates the risk.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

NC number NC-003381 (OBS 02/23)	NC Grading: Observation
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.

Description of Non-conformance and Related Evidence:	
2023 audit: The BP has included mitigation measures for Tertiary Feedstock, while this type of feedstock is not included in their SBP certification scope. The BP should update their documentation to ensure it reflects the approved certificate scope.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

NC number NC-003383 (02/23)	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	3.1.7 A SAR may only be made available by the BP to customers and End-users after the document is uploaded to the DTS.
Description of Non-conformance and Related Evidence:	
2023 audit: The BP provided its SBP Audit Report (SAR) for the 2022 calendar year to the audit team as a Word and PDF document, but it was not uploaded to the DTS (Radix-Tree) as required by SBP.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

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):	Mikhail Rai
Date of decision:	04 Jul 2023
Other comments:	N/A