



Supply Base Report: Canfor Energy North Limited Partnership - Chetwynd

Third Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.4

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019; re-published 3 April 2020

Version 1.4 published 22 October 2020

Contents

1	Overview
2	Description of the Supply Base
2.1	General description
2.2	Description of countries included in the Supply Base
2.3	Actions taken to promote certification amongst feedstock supplier
2.4	Quantification of the Supply Base
3	Requirement for a Supply Base Evaluation
4	Supply Base Evaluation
4.1	Scope
4.2	Justification
4.3	Results of risk assessment and Supplier Verification Programme
4.4	Conclusion
5	Supply Base Evaluation process
6	Stakeholder consultation
6.1	Response to stakeholder comments
7	Mitigation measures
7.1	Mitigation measures
7.2	Monitoring and outcomes
8	Detailed findings for indicators
9	Review of report
9.1	Peer review
9.2	Public or additional reviews
10	Approval of report
Annex 1: Detailed findings for Supply Base Evaluation indicators	

1 Overview

Producer name: Canfor Energy North Limited Partnership - Chetwynd

Producer address: Chetwynd 4700-50th St Box180 Chetwynd, 4700 Chetwynd, Canada

SBP Certificate Code: SBP-06-25

Geographic position: 55.696800, -121.629700

Primary contact: Brittany Burnett, +1 250 962 3480, brittany.burnett@canfor.com

Company website: www.canfor.com

Date report finalised: 09 Dec 2021

Close of last CB audit: 17 Dec 2021

Name of CB: Control Union Certifications BV

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBR on Company website: <https://www.canfor.com/products/energy/pellets>

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re-assessment
☐	☐	☐	☒	☐	☐

2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary, Primary

Includes Supply Base evaluation (SBE): No

Feedstock origin (countries): Canada

2.2 Description of countries included in the Supply Base

Country: Canada

Area/Region: British Columbia/Alberta

Exclusions: No

The majority of CENLP's feedstock comes from sawmill residuals created in Canada, with a small portion coming from whole log chipping. The primary input is received onsite from Canfor Corporation's Chetwynd sawmill (>57%) with some inputs from other Canfor sawmill facilities (>32%) in British Columbia and Alberta, and the remainder from West Fraser's Chetwynd Industries sawmill. CENLP does not undertake harvesting activities.

The majority of forest management and harvesting within the Supply Base Area is conducted on Crown Lands which are owned and controlled by the province of British Columbia or Alberta. Harvesting of the crown lands in the British Columbia supply base is either conducted directly by the Province through their BC Timber Sales (BCTS) Program, or by companies which hold timber harvest licences issued by the Province. Harvesting of the crown lands in the Alberta supply base are done by companies which hold timber harvest licences issued by the Province. The log supply for the local sawmills at both Canfor and West Fraser originate from TFL #48, Dawson Creek TSA, Fort St John TSA, Fort Nelson TSA, Mackenzie TSA, Prince George TSA, and West Central Alberta, FMA 8800025 and FMA 9900037. The Timber harvesting licences can either be area-based licences or volume-based licences, with the management and harvesting rates being directly controlled by the Province through Forest Legislation and Regulation. A minor component of wood delivered to the sawmills originate as purchase from private landowners clearing for agriculture/other purposes and from salvage from other industrial land clearing such as oil/gas companies or mining. A detailed description of the fibre supply areas for both British Columbia and Alberta can be found in the current timber supply review documents which are located at:
(<https://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/timber-supply-review-and-allowable-annual-cut>),
(<https://www.agric.gov.ab.ca/app21/forestrypage?cat1=Forest%20Management&cat2=Forest%20Management%20Agreements&cat3=FMA%20Holders>).

CENLP uses primarily SPF residuals (spruce/pine/balsam fir) with minor inputs of other coniferous species (black spruce). Occasionally there may be some hardwood species in the residuals where sawmills have milled species such as aspen, cottonwood or paper birch. No softwood or hardwood species in British Columbia or Alberta are listed in CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora).

CENLP's feedstock is largely SBP-compliant (98% certified from 2 suppliers) as the residuals are transferred as certified under each supplier's PEFC™ Chain of Custody certificate. Any portion of the residuals transferred that is not PEFC™ certified is PEFC™ controlled (2% controlled from 1 supplier) and has been screened through Canfor's PEFC™ due diligence system. The licensees who provide the residuals harvest timber from their certified forestlands and purchase some amount of logs from other certified or uncertified forestlands.

CENLP uses 84% secondary feedstock and 16% primary feedstock. CENLP does not procure any feedstock that is not PEFC™ certified or PEFC™ controlled.

2.3 Actions taken to promote certification amongst feedstock supplier

No actions taken or required. Where residual fibre inputs come from sawmilling/planer mill waste, Canfor Corporation and the other suppliers hold forest management (SFI® FM) certification as well as PEFC™ chain of custody certification. When whole log chipping is done, the logs are screened through Canfor's PEFC due diligence system prior to purchase.

Forest certification is common in North America and in Canada with some of the largest tracts of forestland certified to the SFI® forest management standard and to a lesser extent, Canada's FSC® forest management standard.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 35.47
- b. **Tenure by type (million ha):** 35.47 (Public)
- c. **Forest by type (million ha):** 35.47 (Boreal)
- d. **Forest by management type (million ha):** 35.47 (Managed natural)
- e. **Certified forest by scheme (million ha):** 33.69 (SFI)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: Majority of harvesting is clear cut with reserves. A portion of the volume from the Prince George TSA comes from commercial thinning.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: Primary market is the lumber market with low grade logs used for pulp market.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? No

Explanation: All harvested areas are restocked artificially, with the exception of commercially thinned stands.

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

Explanation: Portion is salvaging spruce bark beetle infestation.

Feedstock

Reporting period from: 01 Oct 2020

Reporting period to: 30 Sep 2021

- a. Total volume of Feedstock:** 1-200,000 tonnes
- b. Volume of primary feedstock:** 1-200,000 tonnes
- c. List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 80% - 100%
 - Not certified to an SBP-approved Forest Management Scheme: 0%
- d. List of all the species in primary feedstock, including scientific name:** Pinus contorta (Lodgepole pine); Abies lasiocarpa (Sub-alpine fir (Balsam)); Picea glauca (Hybrid white spruce); Picea engelmannii (Engelmann spruce); Picea mariana (Black spruce); Betula papyrifera (Paper birch); Populus tremuloides (Trembling Aspen); Populus trichocarpa (Black Cottonwood);
- e. Is any of the feedstock used likely to have come from protected or threatened species?** No
 - Name of species: N/A
 - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
- g. Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 100,00
- h. Proportion of biomass composed of or derived from saw logs (%):** 5,00
- i. Specify the local regulations or industry standards that define saw logs:** British Columbia Log Scale Grading Rules
- j. Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 100,00
- k. Volume of primary feedstock from primary forest:** 34256 m3
- l. List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: 80% - 100%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 80% - 100%
- m. Volume of secondary feedstock:** 1-200,000 tonnes
 - Physical form of the feedstock: Chips, Sawdust, Other (specify)
- n. Volume of tertiary feedstock:** 0 tonnes
 - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period

Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	0,00	0,00	15,70	0,00
Secondary	0,00	0,00	84,30	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? No

N/A

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: N/A

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

Country: N/A

Indicator with specified risk in the risk assessment used:
N/A

Specific risk description:

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

N/A

7.2 Monitoring and outcomes

N/A

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Brittany Burnett	Divisional Accountant	09 Dec 2021
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	Mark Thom	General Manager	09 Dec 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A