

Supply Base Report: Princeton Standard Pellet Corporation

First Surveillance Audit

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.3

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

© Copyright The Sustainable Biomass Program Limited 2019

Contents

1	Overview	1
2	Description of the Supply Base	2
2.1	General description.....	2
2.2	Actions taken to promote certification amongst feedstock supplier.....	4
2.3	Final harvest sampling programme.....	4
2.4	Flow diagram of feedstock inputs showing feedstock type [optional].....	4
2.5	Quantification of the Supply Base.....	5
3	Requirement for a Supply Base Evaluation	7
4	Supply Base Evaluation	8
4.1	Scope.....	8
4.2	Justification.....	8
4.3	Results of Risk Assessment.....	8
4.4	Results of Supplier Verification Programme.....	8
4.5	Conclusion.....	8
5	Supply Base Evaluation Process	9
6	Stakeholder Consultation	10
7	Overview of Initial Assessment of Risk	11
8	Supplier Verification Programme	12
8.1	Description of the Supplier Verification Programme.....	12
8.2	Site visits.....	12
8.3	Conclusions from the Supplier Verification Programme.....	12
9	Mitigation Measures	13
9.1	Mitigation measures.....	13
9.2	Monitoring and outcomes.....	13
10	Detailed Findings for Indicators	14
11	Review of Report	15
11.1	Peer review.....	15
11.2	Public or additional reviews.....	15
12	Approval of Report	16
13	Updates	17
13.1	Significant changes in the Supply Base.....	17

13.2 Effectiveness of previous mitigation measures..... 17

13.3 New risk ratings and mitigation measures 17

13.4 Actual figures for feedstock over the previous 12 months 17

13.5 Projected figures for feedstock over the next 12 months..... 18

1 Overview

Producer name: Princeton Standard Pellet Corporation
Producer location: 301 Old Hedley Rd, Princeton, BC V0X 1N0
Geographic position: 49°27'19.25" N -120°30'13.01" W
Primary contact: Richard White, General Manager
 301 Hedley Road,
 Princeton, BC, V0X 1W0
 250-295-6940
richard@eagle-valley.ca
Company website: <http://www.eaglevalleyfuelpellets.com/>
Date report finalised: 14/Nov/2019
Close of last CB audit: 14/Nov/2019, Princeton, BC
Name of CB: NEPCon Certifying ApS
Translations from English: NA
SBP Standard(s) used: Standard 2 version 1.0, Standard 4 version 1.0, Standard 5 version 1.0
Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>
SBP Endorsed Regional Risk Assessment: not applicable
Weblink to SBE on Company website: not applicable

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

Princeton Standard Pellet Corporation (PSPC) is an independently owned company that produces wood pellets at its facility located in Princeton, British Columbia. PSPC’s Fibre Procurement operations include the purchase and transport of residual fibre from sawmills and/or reman facilities. PSPC purchases majority of its fibre from certified forest management landbase and/or through chain of custody certification, however, a portion of fibre is non-certified. A risk assessment has been prepared to verify that the risk of the non-certified fibre being from controversial sources is negligible.

PSPC receives approximately 119,000 MT of raw material annually. The fibre received is then used in the pellet plant. Annual output of pellets is approximately 99,000 ODMT. Pellets are produced for sales in two distinct markets and are used in our bio burners.

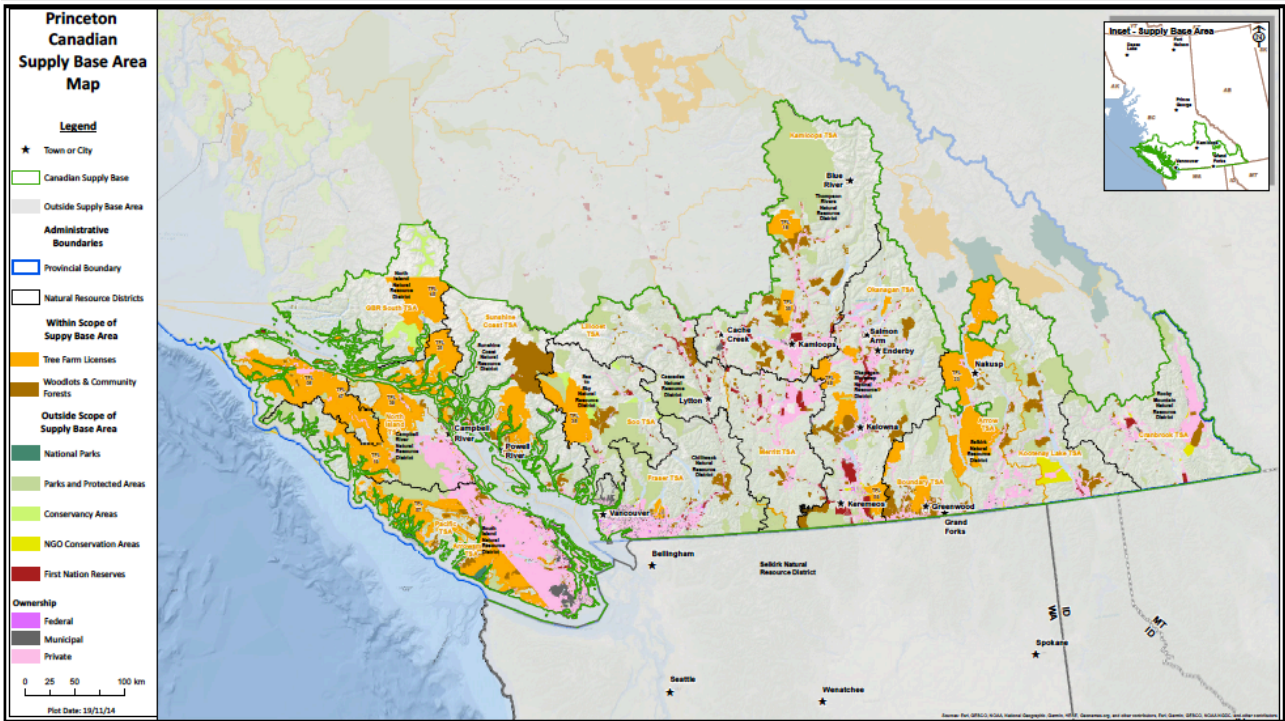
PSPC source fibre from a supply base area that includes lands within South Central and Coastal Timber Supply Areas (TSA) in BC, as well as a small portion from Washinton State. Majority of this feedstock is secondary, with a small component of tertiary feedstock.

The following lists the geographic areas:

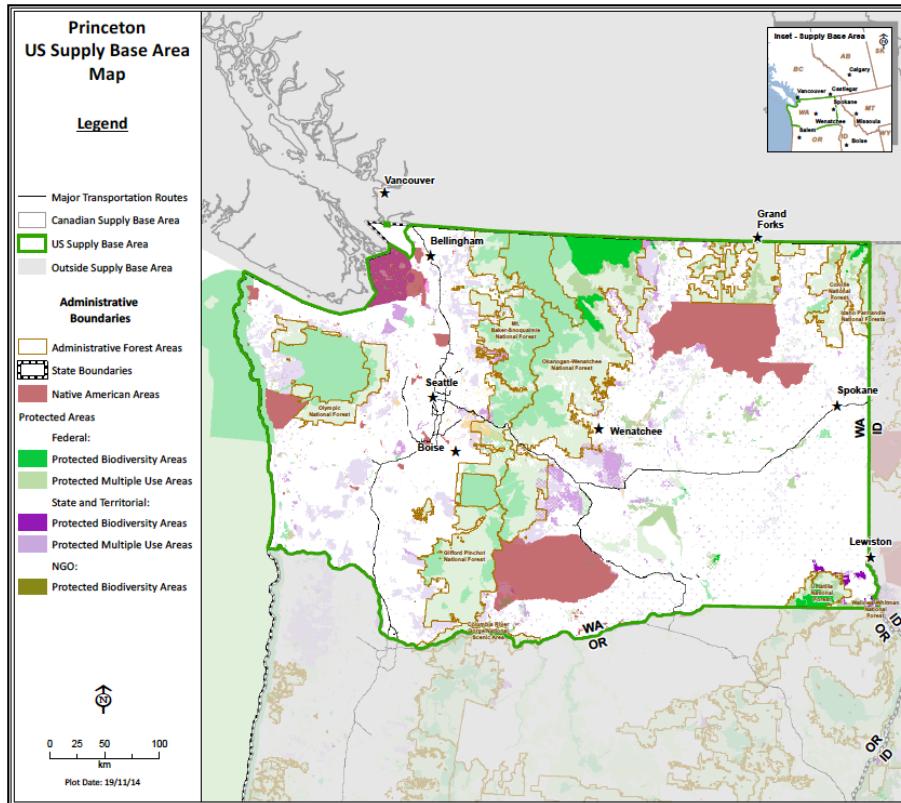
Country	Forest Region	Forest Certification Program	CoC
Canada	Arrow, Boundry, Cranbrook, Kootenay Lake, Merrit, Okanagan, Lillooet, Kamloops, Fraser, North Island, Great Bear Rainforest, Vancouver Island	CSA & SFI	PEFC
United States	Washington State	-	PEFC

Suppliers for PSPC include sawmills (9) and remanufacturing facilities (5), from south and coastal BC, as well as Washington State.

Supply Base Area – Princeton Standard Pellet Corporation – 2019 British Columbia



Washington State



95% of the forests are classified within the Temperate Conifer Forest region and none of the forest types are classified as CITES or IUCN species.

Various Natural Resources, Clean Water and Endangered Species legislation, specific to the forest industry includes, but is not limited to *Forest Act* and *Forest and Range Practices Act* (FRPA) in BC and the *Forest Practices Act* in WA and associated regulations regarding harvest regulations and the marking, scaling and transportation of timber/fibre, as well as the planning, harvesting, reforestation, and environmental protection on Crown and State Lands. In addition to legislation, regional land use plans with legally established objectives must be followed within Forest Stewardship Plans (BC), Forest Practices Habitat Conservation Plan (WA) and Woodlot Licence Plans and subsequent cutting permits and/or transport documents.

Enforcement of natural resources legislation is supported by the Province's Compliance & Enforcement Agency, under the Ministry of Forests Lands and Natural Resource Operations and Rural Development (FLNRORD). In addition, the Provincial Forest Practices Board conducts independent audits and investigations. In Washington state, enforcement is supported by the State's Forest Practices Board who adopts Forest Practices Rules to carry objectives of the State's *Forest Practices Act*.

Natural resources legislation through federal *Species at Risk Act* (BC and Canada), *Endangered Species Act* (US), CITES, provincial Timber Marking and Transport Regulations, provincial labour and health legislation, and applicable enforcement agencies address forest activities.

Harvesting on private managed forest land is legislated through the *Private Managed Forest Land Act* (PMFLA) in BC and the *Forest Practices Act* in Washington State. Further legislation is provided through the federal *Species at Risk Act* (BC), *Endangered Species Act* in Washington, CITES, the provincial Timber Marking and Transport Regulations, provincial labour and health legislation. Forest activities are regulated/monitored for conformance and alleged non-compliance via the Managed Forest Council in BC and the Forest Practices Board in Washington state.

2.2 Actions taken to promote certification amongst feedstock supplier

All major suppliers of logs to the sawmills, from which PSPC receives secondary feedstock, hold forest management (CSA Z809 FM/SFI®-FM) certification and PEFC™ chain of custody certification to either SFI or PEFC. Only as small portion are not certified but is considered controlled via PSPC PEFC Risk Assessment. No further action is taken or required.

2.3 Final harvest sampling programme

N/A – Only secondary and a small portion of tertiary feedstock is processed at facility

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

N/A

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): cumulative area of all forest types within SB
 - British Columbia** **21,143,597 ha**
 - Washington State** **18,401,794 ha**
 - SBA** **39,545,391 ha**
- b. Tenure by type (ha): privately owned/public/community concession – **8,754,856 ha Crown, 178,724 ha Federal, 953,645 ha Private**
- c. Forest by type (ha): boreal/temperate/tropical: **Temperate Forest**
 - British Columbia (97%)** **20,732,579 ha**

Washington State – Temperate Forests – 18,401,794 ha
- d. Forest by management type (ha): **100% natural managed forests**
 - British Columbia** **21,143,597 ha**
 - Washington State** **18,401,794 ha**
 - SBA** **39,545,391 ha**
- e. Certified forest by scheme (ha): (e.g. hectares of FSC or PEFC-certified forest)

Timber Supply Area (TSA) and Timber Farm License (TFL) are two processes managed by the British Columbia provincial government to grant timber access to the forest industry plants. The TSA designations ensure BC Timber Sales has sufficient allowable annual cut allocation. The TFL grants exclusive rights to harvest timber and manage and conserve forest resources within a defined area of land.

TSA – Crown Land – British Columbia

TSA	Certification	Certified Area of TSA
Arrow	SFI	83.05
Arrowsmith	SFI	49.71
Boundary	SFI	91.52
Cranbrook	FSC/SFI	72.85
Fraser	SFI/CSA	44.18
GBR South	SFI	83.99
Kamloops	SFI/CSA	80.54
Kootenay Lake	FSC/SFI	75.29
Lillooet	SFI/CSA	73.01
Merritt	SFI/CSA	79.27
North Island	SFI/CSA	82.15
Okanagan	SFI	80.04
Soo	SFI	20.91
Sunshine Coast	SFI	86.73

TFL – Crown Land – British Columbia

TFL	Cert Category	% Certified Area	TFL	Cert Category	% Certified Area
TFL 23	SFI	100.00	TFL 18	SFI	100.00
TFL 3	SFI	100.00	TFL 35	SFI	100.00

TFL	Cert Category	% Certified Area	TFL	Cert Category	% Certified Area
TFL 44	CSA	98.60	TFL 19	SFI	100.00
TFL 46	CSA	93.12	TFL 39	CSA/SFI	99.87
TFL 54	SFI	N/A	TFL 6	CSA	99.15
TFL 57	SFI	N/A	TFL 37	SFI	100.00
TFL 8	SFI	100.00	TFL 47	SFI	100.00
TFL 26	SFI	3.56	TFL 33	SFI	100.00
TFL 25	SFI	100.00	TFL 49	SFI	100.00
TFL 47	SFI	100.00	TFL 59	SFI	100.00
TFL 39	SFI	99.87	TFL 38	SFI	16.86
TFL 45	SFI	100.00	TFL 39	CSA	99.87

Feedstock

- f. Total volume of Feedstock: **99,000 ODMT**
- g. Volume of primary feedstock: N/A
- h. List percentage of primary feedstock (g), N/A
- i. List all species in primary feedstock, including scientific name : N/A
- j. Volume of primary feedstock from primary forest – N/A
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - a. Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme – **0%**
 - b. Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – **0%**
- l. Volume of secondary feedstock: specify origin and type – **99% sawmill residuals from the SBA**
- m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. – **1%**

* Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	X

All feedstock is sourced as Secondary or Pre-consumer Tertiary Feedstock

4 Supply Base Evaluation

4.1 Scope

N/A

4.2 Justification

N/A

4.3 Results of Risk Assessment

N/A

4.4 Results of Supplier Verification Programme

N/A

4.5 Conclusion

N/A

5 Supply Base Evaluation Process

N/A

6 Stakeholder Consultation

N/A

7 Overview of Initial Assessment of Risk

N/A

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

N/A

8.2 Site visits

N/A

8.3 Conclusions from the Supplier Verification Programme

N/A

9 Mitigation Measures

9.1 Mitigation measures

N/A

9.2 Monitoring and outcomes

N/A

10 Detailed Findings for Indicators

N/A

11 Review of Report



11.1 Peer review

N/A

11.2 Public or additional reviews

N/A

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:		<i>INCOS Strategies</i>	<i>14 november. 2019</i>
	Name <i>Nicolas Blanchette</i>	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:		<i>General Manager</i>	<i>21-11-2019</i>
	Name <i>Richard White</i>	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Supply Base Report includes an updated SBA Map (S2.1) and quantification of the Supply Base (S2.5) to provide a more accurate SBA Map and supply base numbers than the information provided last year for the assessment.

13.2 Effectiveness of previous mitigation measures

N/A

13.3 New risk ratings and mitigation measures

N/A

13.4 Actual figures for feedstock over the previous 12 months

Using the categories in Section 2.5 'Quantification of the Supply Base' (above), give an update on the actual figures for the previous 12 month period. Volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided*

- f. Total volume of Feedstock: **115,00 MT**
- g. Volume of primary feedstock: N/A
- h. List percentage of primary feedstock (g), N/A
- i. List all species in primary feedstock, including scientific name : N/A
- j. Volume of primary feedstock from primary forest – N/A
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - c. Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme – **0%**
 - d. Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – **0%**
- l. Volume of secondary feedstock: specify origin and type – **99% sawmill residuals from the local area**
- m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. – **1%**

13.5 Projected figures for feedstock over the next 12 months

Using the categories in Section 2.5 'Quantification of the Supply Base' (above), give an updated projection for the coming 12 month period. Volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided*

- f. Total volume of Feedstock: **115,000 MT**
- g. Volume of primary feedstock: N/A
- h. List percentage of primary feedstock (g), N/A
- i. List all species in primary feedstock, including scientific name : N/A
- j. Volume of primary feedstock from primary forest – N/A
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - e. Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme – **0%**
 - f. Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – **0%**
- l. Volume of secondary feedstock: specify origin and type – **99% sawmill residuals from the local area**
- m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. – **1%**

* Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information.

Bands are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³
4. 600,000 – 800,000 tonnes or m³
5. 800,000 – 1,000,000 tonnes or m³
6. >1,000, 000 tonnes or m³