

SBP

Sustainable Biomass Partnership

Supply Base Report: Premium Pellet Ltd

www.sustainablebiomasspartnership.org



Completed in accordance with the Supply Base Report Template Version 1.0

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

Document history

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1 Overview

Producer name: Premium Pellet Ltd.
 Producer location: 2301 Campbell Road, Vanderhoof, B.C., Canada
 Geographic position: [54°00'52"N 124°00'32"W](#)
 Primary contact: Robert Tarcon, Vanderhoof, B.C., Canada +12505709949
 Company website: www.premiumpellet.com
 Date report finalised: 7/Oct/2016
 Close of last CB audit: 14/Aug/2015
 Name of CB: PricewaterhouseCoopers LLP
 SBP Standard(s) used: SBP standard 1 v 1.0
 SBP standard 2 v 1.0
 SBP standard 4 v 1.0
 SBP standard 5 v 1.0
 Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>
 SBP Endorsed Regional Risk Assessment: N/A
 Weblink to SBE on Company website: www.premiumpellet.com

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

2 Description of the Supply Base

2.1 General description

Premium Pellet Ltd. (Premium Pellet) Supply Base is located in the geographical centre of British Columbia (BC), Canada and is made up of the Prince George, Lakes and Mackenzie Timber Supply Area's (TSA's). Premium Pellet utilizes 100% secondary feedstock from local primary facilities (lumber sawmills) or other secondary facilities (lumber remanufacturers). There are seven potential suppliers of secondary feedstock in the area including a related sawmill, L&M Lumber and planer mill, Nechako Lumber located on the same site in Vanderhoof, B.C. as Premium Pellet. These three entities, along with Nechako Green Energy, are collectively known of as the Nechako Group of Companies. Additionally, secondary fibre is also obtained from an external sawmill and a remanufacturing facility in Vanderhoof, Lakeland Mills in Prince George, BC and Conifex in Fort St James, BC.

The majority of the forest management and harvesting in the Supply Base Area is conducted on Government of British Columbia crown lands, which are managed by either the government through their BC Timber Sales (BCTS) program, or by forest companies with area or volume based licenses awarded by government. The BCTS program and all local forest companies have their operations certified to Sustainable Forest Management (SFM) programs such as Sustainable Forestry Initiative® (SFI) or Canadian Standards Association (CSA). For 2015 more than 99%, (70% of which is certified), of the fibre utilized by the sawmill and planer mill located on the same site as Premium Pellet was obtained from tenures awarded and managed by the Province of British Columbia. The majority of the fibre harvested is pine, spruce and sub alpine fir with a smaller component of Douglas-fir. In addition to the SFM certifications held by government and local forest companies, SFM plans and practices are also legislated in BC and there are no species harvested in BC that are on the CITES or IUCN lists.

There is a small amount of private land (i.e. farms) in the Supply Base Area and there are private woodlots and First Nations reserves, therefore the primary facilities in the region around Vanderhoof, BC may purchase a small amount of primary fibre for their facilities from uncertified lands that are not managed under a tenure issued by the Ministry of Forests Lands and Natural Resource Operations (MoFLNRO). These lands are not classified as forest land, but are private lands with forests and can be used by the owner for agricultural purposes once harvesting is complete. In 2015 for example, the sawmill and planer mill on the same site as Premium Pellet received approximately 0.85% of their supply from uncertified sources that were not harvested from tenures issued and monitored by MoFLNRO (the government).

Of the seven secondary feedstock suppliers to Premium Pellet, four of them have Forest Stewardship Council (FSC®) or Programme for the Endorsement of Forest Certification (PEFC™) Chain of Custody (CoC) systems. Premium Pellet and the two solid wood production facilities that share the same site have a common multi-site CoC PEFC system. In the twelve months prior to the SBP assessment, Premium Pellet purchased 96% of their feedstock with certified claims from four suppliers with certified CoC systems. Given that 4% of Premium Pellet's feedstock was purchased as uncertified from three suppliers and the region does have some uncertified lands, the SBP Standard 1 is applicable and Premium Pellet has completed a Supply Base Evaluation (SBE) for Prince George, Lakes and Mackenzie TSA's (collectively referred to as the Supply Base Area) to ensure that the suppliers meet the risk assessment criteria for both PEFC, SFI Fibre Procurement and the SBP standards. The SBE is located in **Annex 1** of this report.

2.2 Actions taken to promote certification amongst feedstock supplier

Premium Pellet Ltd. achieved PEFC CoC certification in 2009. In order to ensure an adequate amount of certified fibre for its operation, Premium Pellet, promotes certification, including SFI and CSA, with our suppliers. Premium Pellet, through L&M Lumber Ltd., requires operations to be conducted by loggers trained in accordance with the programs developed by the Western Canada SFI Implementation Committee (WSIC).

It is a requirement of Premium Pellet Ltd's fibre purchase contract that all non-certified fibre is sourced from non-controversial sources as defined by PEFC (listed below). Prior to purchasing fibre the supplier goes through another risk assessment to ensure compliance with all standards and the supplier's past compliance history.

Supplier Assertion (included in all purchase contracts)

The supplier confirms that the logs and wood fibre was not sourced from forest activities which are:

(a) not complying with local, national or international legislation, applying to forest related activities, in particular in the following areas:

- forestry operations and harvesting, including biodiversity conservation and conversion of forest to other use
- management of areas with designated high environmental and cultural values,
- protected and endangered species, including requirements of CITES,
- health and labour issues relating to forest workers,
- indigenous peoples' property, tenure and use rights,
- third parties' property, tenure and use rights,
- payment of taxes and royalties related to timber harvesting are complete and up to date,

(b) not complying with legislation of the country of harvest relating to trade and customs, in so far as the forest sector is concerned,

(c) utilizing genetically modified forest based organisms,

(d) converting forest to other vegetation type, including conversion of primary forests to forest plantations.

These are therefore considered to be from non-controversial sources.

Furthermore, our company may consider future purchases from the supplier as low risk of originating from controversial sources as the logs come from:

1. British Columbia;
2. Areas not covered by the UN Security Council ban on Timber; and
3. Areas governed by a legislated stumpsage system that requires documentation to confirm the supply of the fibre to the forest management unit (i.e.: license or tenure).

If any of the log sources change in relation to this assertion the company must notify our company immediately.

In a case where the logs supplied to our company are considered "high" risk of being obtained from controversial sources, we will provide our company with the necessary information to identify the forest

management unit(s) of origin as well as the whole supply chain of the raw material relating to the “high” risk supply. Should our company require on-site inspection of the associated operations, we will assist in the coordination, as needed.

2.3 Final harvest sampling programme

Through L&M Lumber’s SFI Fibre Sourcing certification a supplier verification program is in place. All suppliers are risk rated based on certification status, previous history and volume being supplied. Any suppliers who are rated as a moderate to high risk are audited in the field by L&M Lumber’s Forestry Staff.

Premium Pellet only utilizes secondary feedstock therefore, this is not applicable.

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): 5.253million hectares of Timber Harvesting Landbase (THLB)

b. Tenure by type (ha):

Privately owned	Public	Community concession
3%	97%	0%
153,000 ha's	5.10 Million ha's of THLB	0%

c. Privately owned/Public/Community concession

d. Forest by type (ha): 100% Temperate (5.253 million ha.)

e. Forest by management type (ha): 100% Managed Natural (5.253 million ha.)

f. Certified forest by scheme (ha): 97% PEFC CoC-certified forest (4.947 million ha)

Currently the Majority of Licensee’s in the Supply Base Area are certified to either SFI or CSA certification standard. Certified Licensee’s in the supply base area include: British Columbia Timber Sales, Carrier Lumber Ltd., Canadian Forest Products Ltd., Conifex Timber Inc, L&M Lumber Ltd. , Mackenzie Fibre Ltd., Sinclair Group Forest Products Ltd and West Fraser Timber Ltd.

Feedstock

g. Total volume of Feedstock: 176,600 odt’s (sawdust 60%, shavings 40%)

h. Volume of primary feedstock: 0 odt’s

i. List percentage of primary feedstock (g), by the following categories: not applicable

j. List all species in primary feedstock, including scientific name: not applicable

k. Volume of primary feedstock from primary forest: not applicable

l. List percentage of primary feedstock from primary forest (i), by the following categories.: not applicable

m. Volume of secondary feedstock: 176,600 odt's (sawdust 60%, shavings 40%)
Lodgepole Pine – Pinus Contorta Var Latifolia 68%
White Spruce – Picea Glauca 22%
Balsom – Sub Alpine Fir – Abies Lasiocarpa 8%
Douglas Fir – Pseudotsuga Menziesii 2%

n. Volume of tertiary feedstock: not applicable

3 Requirement for a Supply Base Evaluation

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

Of the seven secondary feedstock suppliers to Premium Pellet, four of them have Forest Stewardship Council (FSC®) or Programme for the Endorsement of Forest Certification (PEFC™) Chain of Custody (CoC) systems. Premium Pellet and the two sawmills that share the same site have a common multi-site CoC system. In the twelve months prior to the SBP assessment, Premium Pellet purchased 96% of their feedstock from four suppliers with SBP-approved certification programs. Given that 4% of Premium Pellet’s feedstock was purchased as uncertified from three suppliers and the region does have some uncertified lands, SBP Standard 1 is applicable and Premium Pellet has completed a Supply Base Evaluation (SBE). This allows Premium Pellet to make SBP-compliant claims on our finished pellets. The SBE is located in **Annex 1** of this report.

4 Supply Base Evaluation

4.1 Scope

The scope of the SBE included all secondary feedstock received by Premium Pellet in the Supply Base Area of Prince George, Lakes and Mackenzie Timber Supply Area's (TSA's) of British Columbia, including the intermingled private and First Nation lands. We have confirmed with all secondary suppliers that their primary fibre originates within the Prince George, Lakes and Mackenzie Timber Supply Areas (TSA's), which are forest management areas legally defined and mapped by the government of BC and is the supply base used and defined in the company SBE.

4.2 Justification

The Province of British Columbia, where the entire Supply Base Area is located, has a comprehensive legislation package in place to ensure that crown forests are managed to a world class standard. This legislation requires mandatory inspections of sites harvested on crown land on a regular basis to ensure continued compliance with Provincial and Federal legislation. . In addition monitoring by the two levels of government, the majority of secondary suppliers have third party forest management certification. In order to maintain this certification a third party audit that includes field visits to harvest areas is required.

4.3 Results of Risk Assessment

Each criterion was evaluated and measured against Premium Pellet's existing PEFC chain of custody program. The Supply Base Evaluation showed that the feedstock sources are at a low risk of non-compliance to the SBP standards.

4.4 Results of Supplier Verification Programme

No indicators were defined as unspecified risk so therefore a Supplier Verification Program is not required.

4.5 Conclusion

Based on the SBE for Premium Pellet the feedstock received by the facility is of low risk even when not certified to SBP-approved certification programs such as PEFC CoC or SFI FM standards (approx. 4% of feedstock). This conclusion is based on the fact that the majority of feedstock is harvested off of public lands and there is a strong legal system in place on these lands. Federal, provincial and local laws and regulations are in place to address a wide range of indicators including, but not limited to, illegal harvesting, water quality, rare and endangered species, worker health and safety, labour rights and air quality. In addition to these laws and regulations, voluntary WSIC best management practices (BMPs) are in place to provide guidance to forest landowners and contractors on how to sustainably manage forests. The company has made these voluntary guidelines mandatory through contract language requiring the use of all BMPs. Onsite monitoring of harvest areas ensures compliance to the forest legislation and regulations and feedstock for the pellet facility comes from mill facilities with PEFC certification. Timber Supply analysis for the supply base, provided the BC Ministry of Forest Lands and Natural Resources clearly shows the supply area's forests are growing more fibre and

5 Supply Base Evaluation Process

The SBE was completed on a BC north and south central interior basis for all participating pellet facilities.

The SBE was completed by a registered professional forester and forestry consultant with 15 years of forest certification experience and 30 years of work experience in the forest industry of BC. Working with Premium Pellet Ltd. the consultant also provided locally applicable verifiers to ensure each SBP indicator was evaluated correctly and the determination of low risk was verifiable. Controls to ensure a supplier based risk assessment was also completed on harvest areas without SFM certification to ensure compliance to BC based forest legislation and SBP compliance.

The sampling plan for forest based operations used a supplier risk assessment procedure similar to the one used by the SFI 2015-2019 standard to determine the risk of the fibre (on a supplier basis) being compliant. If the risk was determined to be of moderate or high risk, an onsite inspection was completed and documented and all records filed.

Purchase wood contracts included terminology to ensure non-controversial sourced materials (supplier assertion) were procured and if the sources were in question, contracts were not completed and or cancelled if the fibre could not be proven to be of low risk and non-controversial.

6 Stakeholder Consultation

As part of the consultation process for the new Vanderhoof Community Forest an invitation was sent out to all citizens of Vanderhoof inviting them to a meeting to discuss the new community forest. As a large percentage of the fibre manufactured at L&M Lumber Ltd has traditionally been harvested in this area it was felt that this forum would allow for consultation with stakeholders who will be affected by operations in this area. A letter was sent to the Vanderhoof Community Forest stakeholders which included a link to the SBP website and an embedded word version of Premium Pellet’s SBE completed for the supply area. This group included a diverse cross section of interested parties including, ranchers and farmers, recreationists, loggers, local politicians and members of some local environmental groups.

Name	City	Occupation/Interest Area
Nell Welch	Vanderhoof	Rancher
Jack Welch	Vanderhoof	Rancher/Logger
Andrew Belzer	Vanderhoof	Citizen
Tom Roberson	Vanderhoof	Rancher/Logger
Mike Kulchar	Vanderhoof	Rancher
Mark Churchill	Vanderhoof	Rancher/Forestry Consultant/Local Business Owner
Joesph Martin	Vanderhoof	Rancher
Gerry Thiesen	Vanderhoof	Mayor

Response to stakeholder comments

No feedback was received from stakeholders and no concerns were raised at the meeting.

7 Overview of Initial Assessment of Risk

Initial Assessment of Risk was conducted in Premium Pellet’s SBP Supply Base Evaluation – All indicators were determined to be Low Risk.

Table 1. Overview of results from the risk assessment of all Indicators (prior to SVP)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1		X	
1.1.2		X	
1.1.3		X	
1.2.1		X	
1.3.1		X	
1.4.1		X	
1.5.1		X	
1.6.1		X	
2.1.1		X	
2.1.2		X	
2.1.3		X	
2.2.1		X	
2.2.2		X	
2.2.3		X	
2.2.4		X	
2.2.5		X	
2.2.6		X	
2.2.7		X	
2.2.8		X	
2.2.9		X	
2.3.1		X	
2.3.2		X	
2.3.3		X	

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.4.1		X	
2.4.2		X	
2.4.3		X	
2.5.1		X	
2.5.2		X	
2.6.1		X	
2.7.1		X	
2.7.2		X	
2.7.3		X	
2.7.4		X	
2.7.5		X	
2.8.1		X	
2.9.1		X	
2.9.2		X	
2.10.1		X	

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

There are no indicators in the Supply Base Evaluation that are considered to be unspecified risk and therefore, a supplier verification programme is not required.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

9.1 Mitigation measures

There are no indicators in the Supply Base Evaluation that are considered to be specified risk; therefore, there was no need to develop mitigation measures.

9.2 Monitoring and outcomes

Not applicable.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

The Supply Based Report was completed by Robert Tarcon, General Manager of Premium Pellet and David Watt, RPF Woods Manager for L&M Lumber Ltd, Nechako Lumber Co Ltd and Premium Pellet. Mr. Tarcon has worked in senior positions in the pellet industry for the past 15 years, as GM Sales, Marketing, and Logistics (Pinnacle Pellet Inc.) Chairman/President Wood Pellet Association of Canada. Mr. Tarcon was responsible for all certification initiatives while working for Pinnacle and has successfully completed the EN Plus, Green Gold and PEFC Certification for Premium Pellet. Mr. Watt is a Registered Professional Forester (RPF) with 25 years' experience in the BC Forest Industry and has been the lead on the various certification initiatives of L&M Lumber and Nechako Lumber for the past fifteen years. It was then reviewed by the rest of the Senior Management Team at the Nechako Group of Companies.

The Supply Base Report was independently peer-reviewed by Nate Ryant, RPF from NMR Resource Management Ltd, a consultant to the Wood Pellet Association of Canada. Mr. Ryant is a registered professional forester and forestry consultant with 15 years of forest certification experience and 30 years of work experience in the forest industry of BC.

Mr Ryant also assisted Premium Pellet Ltd. in the development of PPL's SBP Supply Base Evaluation.

11.2 Public or additional reviews

Premium Pellet's Supply Base Report is publicly available on Premium Pellet's homepage (www.premiumpellet.com). Any and all comments received will be addressed immediately and the SBP governing body will be notified.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Robert Tarcon</i>	<i>General Manager, Premium Pellet Ltd.</i>	<i>11 October 2016</i>
	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:	<i>David Watt, RPF</i>	<i>Woods Manager – L&M Lumber Ltd/Premium Pellet</i>	<i>11 October 2016</i>
	Name	Title	Date
Report approved by:	<i>Robert Tarcon</i>	<i>General Manager, Premium Pellet Ltd.</i>	<i>11 October 2016</i>
	Name	Title	Date
Report approved by:	<i>Tammy Scott</i>	<i>Controller</i>	<i>11 October 2016</i>
	Name	Title	Date

13 Updates

This is the initial assessment, therefore no updates are required.

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual values of feedstock over the previous 12 months

Not applicable.

13.5 Projected values of feedstock over the next 12 months

Not applicable.

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The BP Supply Base is defined and mapped.
Description and Procedure	The supply base is considered to be the Prince George, Lakes and Mackenzie Timber Supply Area's (TSA's) of British Columbia including the intermingled private and First Nation lands. The supply areas are mapped (map included in SBR) to ensure the scope is consistent with the risk assessment.
Means of Verification	Company Standard Operating Procedures, Contracts
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Chain of Custody and Controlled Wood Procedures 2. Map of TSA's 3. SBR 4. Load Slip Listings from 3Log LIMS System (L&M and Premium Pellet)
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Description and Procedure	<p>The feedstock is described as a mix of inputs, but at this time is completely made up of secondary material from sawmill (sawdust)/planer mill (shavings) residues. The majority (approx.. 96%) of the secondary feedstock Premium Pellet purchases is PEFC Endorsed certified fibre (certified to CSA/CAN Z809 or SFI 2015-2019) and the remaining secondary feedstock is not from certified sources (approx. 4%). Nearly half the secondary feedstock (approx.. 47%) utilized by Premium Pellet is purchased directly from the onsite sawmill/planer mill complex, L&M Lumber Ltd. (L&M) /Nechako Lumber Company Ltd. (The Nechako Group of Companies).</p> <p>L&M purchases logs from the identified TSA's listed in 1.1.1.. All wood that is included in the L&M's purchases falls within the risk assessment and is considered Controlled and Non-Controversial wood.</p> <p>Premium Pellet purchases additional volumes of residue wood fibre from other primary breakdown facilities located in the Supply Base. The fibre purchased from</p>

	these other breakdown facilities originates in the TSA's listed in 1.1.1 and is a mix of spruce, pine, balsam, or Douglas-fir wood fibre.. The framework of the risk assessment also includes the measures to mitigate the risk during procurement activities, such as supplier specific risk assessments and inspections.
Means of Verification	Review of Inputs from LIMS and contracts from Suppliers
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Chain of Custody and Controlled Wood Procedures 2. Map of TSA's 3. Supplier Contracts – L&M & Premium Pellet 4. Load Slip Listings from 3Log LIMS System Log deliveries to L&M Lumber Ltd 5. Load Slip Listings from 3Log LIMS System Fibre Deliveries to Premium Pellet Ltd 6. Species and Grade Reports from LIMS System – L&M Lumber 7. Inspections for Moderate and High risk supplies – L&M Lumber
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.1.3	The feedstock input profile is described and categorized by the mix of inputs.
Description and Procedure	<p>The feedstock is described and categorized by the mix of inputs but at this time is completely made up of secondary sources from sawmill (sawdust)/planer mill (shavings) residues. Nearly half the secondary feedstock (approx.. 47%) utilized by Premium Pellet is purchased directly from the onsite sawmill/planer mill complex, L&M Lumber Ltd. (L&M) /Nechako Lumber Company Ltd. (The Nechako Group of Companies).</p> <p>The Nechako Group of Companies, conduct wood procurement operations, including purchase and transport of purchased logs, chips, shavings, sawdust and hog. The procured wood fibre is transported on trucks to the companies' mill facilities. Typically, the company purchases PEFC Endorsed certified fibre (certified to CSA/CAN Z809 or SFI 2015-2019) or uncertified fibre. The companies purchase logs and wood fibre from the identified Prince George, Lakes and Mackenzie Timber Supply Area's listed above.</p> <p>In the event that non-certified fibre is purchased, this risk assessment has been prepared to support the Sustainable Biomass Partnership process. The framework of the risk assessment also includes the measures to mitigate the risk during procurement activities (supplier based risk assessment). All wood that is included in the company's purchases falls within the risk assessment and is considered SBP-Compliant.</p>
Means of Verification	<p>All supplies of wood fibre originate in the Prince George, Lakes and Mackenzie TSA's in British Columbia and is either spruce, pine, balsam and Douglas-fir wood fibre.</p> <p>Strong legislation is in place in BC to ensure the scaling and transportation of logs and wood fibre is documented. In the case of logs, in accordance with the British</p>

	<p>Columbia Forest Act, all loads moved, including those moved off of private land, must be identified with a government issued timber mark. This timber mark identifies the providence of the load of timber, including the owner, location that it was cut from, and whether or not it originated from crown or private land. Upon delivery to the site the timber mark, truck identification, weights and dates/times are all entered into LIMS. Certification status is then tied to this load, through the timbermark, allowing for a determination of percentage certified timber. Loads are randomly sampled and scaled to determine the species composition and weight to volume conversion for inventory purposes and to allow for accurate payments to Contractors and suppliers. Monthly Mill Consumptions and Inventory Records track individual loads through the primary breakdown facilities to ensure species and certification status are tracked.</p> <p>Where chips, sawdust, shavings and hog are hauled there is a requirement for a loadslip to be filled out by the transport company that is provided to the producer at the time of delivery. This loadslip is a requirement of the forest act and documents the providence of the residual material. Load slips are then entered in to LIMS to allow for inventory of delivered fibre. Wood fibre that is procured and certified will be transferred with the correct transfer claim e.g. X% PEFC Certified and the certificate number.</p> <p>As stated in 1.1.2, 96% of the fibre delivered to Premium Pellet Ltd is from suppliers with a valid chain of custody certificate. The balance of the fibre, approximately 4%, is delivered from one uncertified supplier of secondary feedstock. By regulation, the supplier must monitor and report where their supply originates from using the Harvest Billing System. This system was implemented by the Province of British Columbia to ensure that fibre is tracked and can be traced back to the landbase that it was originally harvested from. Premium Pellet's Purchase Fibre contracts require their suppliers declare if any of procured feedstock comes from sources that are located outside of the supply base area. Additionally, Premium Pellet, as part of our internal audit reviews timbermark reports from their suppliers to ensure that the source of the procured fibre is from within the declared Supply Base Area.</p>
<p>Evidence and Locally Applicable Verifier Reviewed</p>	<ol style="list-style-type: none"> 1. Load slip listing from LIMS – L&M and Premium Pellet 2. Species and Grade Reports from LIMS – L&M 3. Mill Consumptions and Inventory Records Produced from LIMS – L&M 4. Supplier Level Risk Assessments – L&M and Premium Pellet 5. Timber Mark Listing Reports from Suppliers 6. Purchase Fibre Contracts Premium Pellet
<p>Risk Rating</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
<p>Comment or Mitigation Measure</p>	

	Indicator
1.2.1	The Biomass Producer has control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.
Description and Procedure	<p>There is strong legislation in place in BC to ensure the scaling and transportation of logs and wood fibre is documented. Contracts for both L&M and Premium Pellet state that logs or wood fibre do not originate from controversial sources, i.e. illegal or unauthorized sources. Maps attached to contracts show the legal ownership source location of the fibre procured.</p> <p>Where a company harvests from Crown lands it is responsible to pay the Crown a predetermined stumpage rate. The Harvest Billing System (HBS) of the Ministry of Forest, Lands and Natural Resource Operations (MoFLNRO) tracks timber marks and volumes to determine the stumpage owed for each company by timbermark. Private lands also require a timber mark to transport wood.</p> <p>This ensures the origin of all logs is defined and recorded.</p>
Means of Verification	<ol style="list-style-type: none"> 1. Review of current Legislation (BC Forest Act, Forest Range Practices Act) 2. Review of Fibre Supply Contracts 3. Review of Load Slip Listing from LIM's 4. Timbermarks from L&M Lumber
Evidence and Locally Applicable Verifiers	<ol style="list-style-type: none"> 1. Purchase Fibre Contracts – Premium Pellet 2. Log Purchase Agreements – L&M 3. FLNRO HBS website https://www.for.gov.bc.ca/hva/hbs/ 4. L&M Lumber EMS Manual 5. SFI documentation and records – L&M Lumber Ltd
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.3.1	The Biomass Producer has control systems and procedures to ensure that feedstock is in compliance with EUTR legality requirements.
Description and Procedure	<p>Canada is not designated as a source of conflict timber. The UN Security Council has not issued a ban on timber exports from BC or Canada; there are no Security Resolutions for BC or Canada listed on the web site (searched Resolutions from 2000-2008).</p> <p>Inspections are completed to ensure compliance for all activities on crown land. BC has a Compliance & Enforcement branch within the Ministry of Forests, Lands and Natural Resource Operations (the ministry responsible for forest activities on crown land). In addition, BC also maintains an independent board (Forest Practices Board) to conduct independent audits as well as to investigate alleged contraventions. The Private Managed Forest Land Council is an independent provincial agency responsible for administering forest activities on private managed forest land in BC; the council conducts inspections to assess compliance as well as to investigate alleged non-compliance. The federal Department of Fisheries and Oceans also enforces aspects of the Fisheries Act that may pertain to logging related activities on both crown and private managed forest land. Transparency International maintains a web site with regularly updated information regarding perceptions of corruption at the national level; the 2008 Corruption Perception Index for Canada (BC) is among the highest in relation to the rest of the world (i.e., is perceived to have a very low rate of corruption).</p> <p>Strong legislation is in place in BC to ensure the scaling and transportation of logs and wood fibre is documented.</p> <p>Supporting Information</p> <ol style="list-style-type: none"> 1. MoFLNRO Compliance & Enforcement (Annual Report & Statistics): http://www.for.gov.bc.ca/hen/reports/ 2. Forest Practices Board Audits (10 years): http://www.fpb.gov.bc.ca/audit_reports.htm 3. Private Managed Forest Land Council (Inspection Reports): http://www.pmflc.ca/ 4. DFO Canada Enforcement (Annual Reports) of the Fisheries Act: http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/measuring-mesures/reports-rapports/index_e.asp 5. Canadian Council of Forest Ministers maintains data to indicate progress on sustainable forest management, including assessing general compliance with laws and regulations as documented in the 2005 National Status Report: http://www.ccmf.org/current/ccitf_e.php 6. Transparency International (refer to tab on left "Global Corruption"): http://www.transparency.org 7. Global Witness: http://www.globalwitness.org 8. Environmental Investigation Agency: http://www.eia-international.org

	<p>9. The Royal Institute of International Affairs: http://www.illegal-logging.org</p> <p>7. Company contracts state logs and wood fibre does not originate from controversial sources i.e. illegal or unauthorized sources.</p> <p>Logs are tracked from crown and private forests to the mills with a timber mark. Wood fibre that is procured and certified will be transferred with the correct transfer claim e.g. X% PEFC Certified and the certificate number.</p>
Means of Verification	<ol style="list-style-type: none"> 1. Review of current Legislation (BC Forest Act, Forest Range Practices Act) 2. Review of Fibre Supply Contracts 3. Review of Load Slip Listing from LIM's 4. Supporting Information 5. Chain of Custody Procedures 6. http://www.un.org/documents/scres.htmhttp://www.illegal-logging-info/
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Purchase Fibre Contracts Premium Pellet 2. Log Purchase Agreements – L&M 3. FLNRO HBS website https://www.for.gov.bc.ca/hva/hbs/ 4. L&M Lumber EMS Manual 5. L&M Lumber/Premium Pellet Load Reports from LIMS 6. SFI documentation and records
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	

	Indicator
1.4.1	The BP has control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.
Description and Procedure	Where a company harvests from Crown lands it is responsible to pay the Crown a predetermined stumpage rate. The Harvest Billing System of the MoFLNRO tracks timber marks and volumes to determine the stumpage owed for each company by timbermark. Records of payments and owed stumpage are tracked through the Ministry of Finance.
Means of Verification	<ol style="list-style-type: none"> 1. https://www.for.gov.bc.ca/hva/hbs/ 2. Purchase wood contracts stating stumpage will be deducted from the seller and paid to the government where applicable on their behalf 3. Purchase Fibre Agreements
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Log Purchase Agreements – L&M 2. Stumpage Statements from L&M 3. Records of Stumpage paid – L&M

Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	
Description and Procedure	

	Indicator
1.5.1	The BP has control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Description and Procedure	To date the companies have not procured any raw materials from the list of species deemed threatened or endangered as classified by CITES.
Means of Verification	Annual checks of CITES listing are made by the company's forestry department to ensure no species on the list are included in the feedstock. The PEFC Due Diligence System requires annual checks and is completed during the annual Management Review.
Evidence and Locally Applicable Verifier Reviewed	http://www.cites.org PEFC, EMS, SFI SBP Management Review documented and minutes taken.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.6.1	The BP has control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.
Description and Procedure	Harvesting in the supply area presents a low risk of violation of traditional, civil and collective rights based on the following: <ol style="list-style-type: none"> 1. Forest employment in Canada is regulated under federal and provincial labour codes which prohibit child labour, provide for a safe and healthy workplace, protect workers' rights to organize and are consistent with the ILO provisions. There is also no evidence of child labour violations. 2. The courts of Canada have established a legally binding consultation system. Treaty 8 exists over portions of the area in north central BC. The Forest and Range Practices Act requires efforts to be made in information sharing between the forest industry and First Nations as a means to identify where necessary conservation and protection of cultural and heritage resources are found. There is no evidence of violations of the ILO

	Convention 169 on Indigenous and Tribal Peoples taking place in the forested area of this risk assessment according to Amnesty International.
Means of Verification	<ol style="list-style-type: none"> 1. Amnesty International Canada: http://www.amnesty.ca/canada/IPstandards.php 2. BC Human Rights Tribunal: http://www.bchrt.bc.ca/index.htm 3. http://www.state.gov/g/drl/rls/hrrpt/2005/61719.htm 4. http://sa-international.org/index.cfm 5. http://www.labour.gc.ca/eng/standards_equity/ 6. http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c._986/ 7. http://www.labour.gov.bc.ca/esb/ 8. http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/396_95 9. L&M Lumber Ltd Forest Stewardship plan
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. SFI Wood Procurement Processes and Risk Assessments 2. Log Purchase Agreements – L&M 3. Fibre Purchase Contracts – Premium Pellet 4. Employment Standards for Canada and BC
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator																								
2.1.1	The BP has control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.																								
Description and Procedure	<p>In BC, 95% of the forested landbase is on Crown Land where forest management activities are subject to multiple levels of planning and protection of forest values. Old Growth Management Areas are also defined by the BC Government. Ecosystem Based Forest Management has been implemented in a variety of ecoregions. The land use planning processes have established legislative requirements for spatial retention and wildlife habitat conservations. Rare and endangered plants and animals are managed through Identified Wildlife Management Strategies and carried out in consultation with other resource ministries, stakeholders and the public. An annual review of the species at risk at the provincial and regional level will be undertaken and documented. Canada is a signatory to the Convention on Biological Diversity.</p> <ol style="list-style-type: none"> 1. There are no biodiversity hotspots within the districts of origin covered in this Risk Assessment. 2. There is no overlap of the company's supplier's wood sourcing area with the WWF Global 200 eco-region designation. 3. Canada is a signatory of the convention of international trade in endangered species of wild fauna and flora. 4. According to Forest Watch Canada 21% of large intact forest landscapes in BC are protected. 5. Protected Areas: The parks and protected areas covers nearly 14 million hectares, 14.4% of the province of BC. <p>All areas where logs are either harvested or procured on crown land require a permit in place and a timber mark. Permits are not issued unless the resources are checked and verified to be adequate to ensure high conservation value forests are not harvested over the TSA.</p> <p>Protected areas and Parks are defined and mapped over the TSA.</p> <p>Timber Supply Reviews also delineate areas where timber production can occur.</p> <table border="1" data-bbox="347 1503 1321 1827"> <thead> <tr> <th colspan="4">Breakdown of Parks, Protected Area's and Ecological Reserves for the Supply Base</th> </tr> <tr> <th>TSA</th> <th>Prince George</th> <th>Lakes</th> <th>Mackenzie</th> </tr> </thead> <tbody> <tr> <td>Total TSA Area (ha)</td> <td>7,965,555</td> <td>1,577,482</td> <td>6,410,665</td> </tr> <tr> <td>Parks (ha)</td> <td>514,907</td> <td>543,064</td> <td>865,002</td> </tr> <tr> <td>Protected Area (ha)</td> <td>20,924</td> <td>15,106</td> <td>31,692</td> </tr> <tr> <td>Ecological Reserves (ha).</td> <td>2,320</td> <td>0</td> <td>2,864</td> </tr> </tbody> </table>	Breakdown of Parks, Protected Area's and Ecological Reserves for the Supply Base				TSA	Prince George	Lakes	Mackenzie	Total TSA Area (ha)	7,965,555	1,577,482	6,410,665	Parks (ha)	514,907	543,064	865,002	Protected Area (ha)	20,924	15,106	31,692	Ecological Reserves (ha).	2,320	0	2,864
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Means of Verification	<p>Annual checks of websites listed below are made by the company's to ensure forests and other areas with high conservation values are identified and mapped.</p> <ol style="list-style-type: none"> 1. High Conservation Value Network: http://www.hcvnetwork.org 																								

	<ol style="list-style-type: none"> 2. Forests with exceptional Conservation Value: http://www.sfiprogram.org/files/pdf/draft2015-2019-standard-section-6/ 3. NatureServe: http://www.natureserve.org/ 4. Global Forestry Risk Registry: http://www.globalforestregistry.org/ 5. Conservation Internationals Global Hotspots: http://www.biodiversityhotspots.org 6. WWF Global 200 Regions: http://worldwildlife.org/science/ecoregions/global200.html 7. WWF Terrestrial Ecoregion Profiles: http://worldwildlife.org/wildworld/terrestrial 8. FSC Canada Global Forest Watch Intact Forest Database: http://fscscanada.org/docs/37b60f3055cds17c.pdf 9. MOE - BC Species & Ecosystems at Risk: http://www.env.gov.bc.ca/atrisk/ 10. MOE B – BC: http://www.speciesatrisk.bc.ca/ 11. MOE - BC: http://ibis.geog.ubc.ca/biodiversity/SpeciesatRiskinBC.html 12. Prince George Licensees Landscape Objectives Working Group
<p>Evidence and Locally Applicable Verifier Reviewed</p>	<ol style="list-style-type: none"> 1. SFI Wood Procurement processes and risk assessments. – L&M 2. Provincial Legislation <ul style="list-style-type: none"> ➢ the Forest Act; ➢ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➢ the Workers Compensation Act; ➢ the Waste Management Act and Environmental Management Act of British Columbia; ➢ the Foresters Act of British Columbia ➢ Wildfire Act 3. Federal Legislation <ul style="list-style-type: none"> ➢ the Fisheries Act and the Species at Risk Act of Canada; ➢ the Canadian Environmental Protection Act of Canada ➢ The Migratory Bird Act 4. Maps Showing Areas of High Conservation Value 5. Cutting and Road Permits – L&M
<p>Risk Rating</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
<p>Comment or Mitigation Measure</p>	

	Indicator																								
2.1.2	The BP has control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.																								
Description and Procedure	<p>The company conducted a risk assessment of the supply area as part of our SFI Certification process.</p> <p>This review concluded:</p> <ol style="list-style-type: none"> 1. There are no biodiversity hotspots within the districts of origin covered in this Risk Assessment. 2. There is no overlap of the company's supplier's wood sourcing area with the WWF Global 200 eco-region designation. 3. Protected Areas: The parks and protected areas covers nearly 14 million hectares, 14.4% of the province of BC. 4. In BC, 95% of the forested landbase is on Crown Land where forest management activities are subject to multiple levels of planning and protection of forest values. 5. Old Growth Management Areas are also defined by the BC Government. Ecosystem Based Forest Management has been implemented in a variety of ecoregions. The land use planning processes have established legislative requirements for spatial retention and wildlife habitat conservations. Rare and endangered plants and animals are managed through Identified Wildlife Management Strategies and carried out in consultation with other resource ministries, stakeholders and the public. An annual review of the species at risk at the provincial and regional level will be undertaken and documented. 6. According to Forest Watch Canada 21% of large intact forest landscapes in BC are protected. 7. Canada is a signatory to the Convention on Biological Diversity. 8. Canada is a signatory of the convention of international trade in endangered species of wild fauna and flora. <p>All areas where logs are either harvested or procured on crown land require a permit in place and a timber mark. Permits are not issued unless the resources are checked and verified to be adequate to ensure high conservation value forests are not harvested over the TSA.</p> <p>Protected areas and Parks are defined and mapped over the TSA.</p> <table border="1" data-bbox="352 1626 1323 1951"> <thead> <tr> <th colspan="4">Breakdown of Parks, Protected Area's and Ecological Reserves for the Supply Base</th> </tr> <tr> <th>TSA</th> <th>Prince George</th> <th>Lakes</th> <th>Mackenzie</th> </tr> </thead> <tbody> <tr> <td>Total TSA Area (ha)</td> <td>7,965,555</td> <td>1,577,482</td> <td>6,410,665</td> </tr> <tr> <td>Parks (ha)</td> <td>514,907</td> <td>543,064</td> <td>865,002</td> </tr> <tr> <td>Protected Area (ha)</td> <td>20,924</td> <td>15,106</td> <td>31,692</td> </tr> <tr> <td>Ecological Reserves (ha).</td> <td>2,320</td> <td>0</td> <td>2,864</td> </tr> </tbody> </table> <p>Timber Supply Reviews also delineate areas where timber production can occur.</p>	Breakdown of Parks, Protected Area's and Ecological Reserves for the Supply Base				TSA	Prince George	Lakes	Mackenzie	Total TSA Area (ha)	7,965,555	1,577,482	6,410,665	Parks (ha)	514,907	543,064	865,002	Protected Area (ha)	20,924	15,106	31,692	Ecological Reserves (ha).	2,320	0	2,864
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Means of Verification	<ol style="list-style-type: none"> 1. Contracts for purchased wood fibre will include the terminology for the supplier to use the BMP's provided. 2. Assessments are completed through GIS layer searches and on the planned harvest areas through ground reconnaissance work by resource professionals. Known key ecosystems and habitats are protected as per site specific operating plans.
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. There are no forests by the definition in the standard that fit the definition of a production plantation forest in the supply area. 2. All fibre is procured or produced from crown or private forest land in its native state. 3. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia 4. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada ➤ The Migratory Bird Act 5. SFI Wood Procurement processes and risk assessments that are completed on all timber purchases. 6. WISC Wood Producer Information Packages. 7. Log Purchase Agreements with clauses requiring adherence to BMP's 8. Fibre Purchase Contracts with clauses requiring adherence to BMP's 9. Cutting and Road Permits - L&M 10. Resource area checks by the company and the government – L&M 11. Timber Supply Reviews
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.1.3	The BP has 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.
Description and Procedure	At this time there are no forests that meet the definition in the standard of a Production Plantation Forest in the supply area. In addition the company's Fibre Purchase Agreements prohibit fibre from forests converted to production plantation forest or non-forest lands after January 2008. All harvest areas are either replanted with native species as defined in the company Forest Stewardship Plans and is subject to the Chief Foresters Guidelines to ensure appropriate tree species make up the next rotation.
Means of Verification	Fibre Purchase Contracts with clauses prohibiting fibre from forests converted to production plantation forest or non-forest lands after January 2008.

Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Fibre Purchase Contracts 2. SFI Wood Procurement processes and risk assessments 3. Forest Stewardship Plans 4. Site Plans
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.1	The BP has 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 minimize them.
Description and Procedure	<p>Premium Pellet has completed a risk assessment of the supply area</p> <ol style="list-style-type: none"> 1. The Nechako Group have appropriate internal management systems to ensure that all suppliers of wood fibre are monitored for compliance with provincial legislation, BMP's and SBP requirements. This is determined through the individual supplier risk assessments, which determine whether onsite inspections are necessary and completed. 2. All inspections are documented and filed accordingly by contract for the company. 3. Typical management systems include wood fibre scaling systems and databases, environmental management systems, human resource policies and procedures, health and safety programs, wood procurement programs and procedures associated with PEFC Chain of Custody certification. 4. Company staff have assigned roles and responsibilities which are documented in the company management systems to complete the tasks of determining the supplier risk assessments. 5. Aside from the geographic based SBE and Due Diligence system, the company completes a supplier specific risk assessment to ensure all supplies are low or negligible risk.
Means of Verification	<ol style="list-style-type: none"> 1. All records pertaining to the standards are listed in the management systems pertinent to the standard requirements and maintained for a minimum of 5 years. 2. An annual management review of the standard requirements and systems is completed with the company top management and documented in the meeting minutes. This annual process enables the company's to look at the past years performance and reassess the suppliers risk evaluation. 3. Annual Internal and External SFI Forest Management Audit 4. Compliance Audits by FLNRO
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Fibre Purchase Contracts 2. SFI Wood Procurement processes and risk assessments 3. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia 4. Federal Legislation

	<ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada ➤ The Migratory Bird Act <p>5. WISC Wood Producer Information Packages. 6. DDS from PEFC</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.2	The BP has control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).
Description and Procedure	<p>The vast majority of timber harvested in British Columbia is harvested from Government owned lands under the authority of a license issued by the Crown. The Forest and Range Practices Act of British Columbia (FRPA) requires that all Crown granted licenses have a Forest Stewardship Plan (FSP) (Major Licensees) or Management Plan (Woodlots) approved by government prior to harvesting. These plans specify measures to protect biodiversity, water quality, ecological and biological diversity, culturally significant sites, and wildlife. These plans also define requirements for harvesting operation to ensure soil quality site index are maintained over the forest rotation. FLNRO audits these plans to ensure that licensee’s comply with their approved plans in the field. Stand Level Site Plans are then developed and implemented by Registered Professional Foresters that identify area’s to be retained after harvesting operations are completed. Areas designated for retention are selected based on the FRPA requirement to protect ecological significance, biodiversity, riparian values or wildlife habitat.</p> <p>The Nechako Group of Companies have developed and implemented Best Management Practices for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. These BMP’s are designed to meet or exceed the requirements of FRPA and are distributed to contractors with the company purchase wood contracts. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. The first part risk assessment looks at the wood supplier, source of the timber, and the certification status of timber involved. Suppliers who are considered higher risk, generally due to their certification status, are evaluated based on past practices, past audits and legislative contraventions. If the Supplier is considered higher risk after the evaluation then field audits must be implemented by the company. A field audit looks at the site in detail and confirms that all operations have been conducted in a manner that complies with Provincial and Federal legislation as well as company BMP’s.</p> <p>Purchase Fibre Contracts contain a Supplier Assertion that states harvesting operations will be conducted in accordance with local laws, including biodiversity conservation and management of area’s with high environmental and cultural values.</p>

<p>Means of Verification</p>	<p>Assessments are completed through GIS layer searches and on the planned harvest areas through ground reconnaissance work by resource professionals. Known key ecosystems and habitats are protected as per site specific operating plans.</p> <p>Confirmation of management practices is part of the supplier risk assessment and monitoring system.</p> <ol style="list-style-type: none"> 1. Fibre Purchase Contract - Premium Pellet 2. Log Purchase Agreement – L&M Lumber 3. SFI Wood Procurement processes and risk assessments. 4. Wood Producer Information Packages.
<p>Evidence and Locally Applicable Verifier Reviewed</p>	<ol style="list-style-type: none"> 1. Fibre Purchase Contracts – Premium Pellet 2. Log Purchase Agreement – L&M Lumber 3. L&M Lumber Ltd Forest Stewardship Plan 4. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia 5. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada ➤ The Migratory Bird Act 6. Nechako Group of Companies BMP's 7. SFI Wood Procurement processes and risk assessments 8. WISC Wood Producer Information Packages. 9. FLNRO COMPLIANCE & ENFORCEMENT Reports 10. SFI Internal & External Audit Reports 11. L&M Inspections of Purchase Fibre Sites
<p>Risk Rating</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
<p>Comment or Mitigation Measure</p>	

	Indicator
2.2.3	The BP has control systems and procedures to ensure that there are key ecosystems and habitats which are conserved or set aside in their natural state (CPET S8b).
Description and Procedure	<p>The vast majority of timber harvested in British Columbia is harvested from Government owned lands under the authority of a license issued by the Crown. The Forest and Range Practices Act of British Columbia (FRPA) requires that all Crown granted licenses have a Forest Stewardship Plan (FSP) (Major Licensees) or Management Plan (Woodlots) approved by government prior to harvesting. These plans specify measures to protect biodiversity, water quality, ecological and biological diversity, culturally significant sites, and wildlife. These plans also define requirements for retention of standing timber (Wildlife trees) and course woody debris in harvest units. FLNRO audits these plans to ensure that licensee’s comply with their approved plans in the field. Stand Level Site Plans are then developed and implemented by Registered Professional Foresters that identify area’s to be retained after harvesting operations are completed. Areas designated for retention are selected based on the FRPA requirement to protect ecological significance, biodiversity, riparian values or wildlife habitat.</p> <p>The Nechako Group of Companies have developed and implemented Best Management Practices for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. These BMP’s are designed to meet or exceed the requirements of FRPA and are distributed to contractors with the company purchase wood contracts. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. The first part risk assessment looks at the wood supplier, source of the timber, and the certification status of timber involved. Suppliers who are considered higher risk, generally due to their certification status, are evaluated based on past practices, past audits and legislative contraventions. If the Supplier is considered higher risk after the evaluation then field audits must be implemented by the company. A field audit looks at the site in detail and confirms that all operations have been conducted in a manner that complies with Provincial and Federal legislation as well as company BMP’s.</p> <p>Purchase Fibre Contracts contain a Supplier Assertion that states harvesting operations will be conducted in accordance with local laws, including biodiversity conservation and management of area’s with high environmental and cultural values.</p>
Means of Verification	<p>Assessments are completed through GIS layer searches and on the planned harvest areas through ground reconnaissance work by resource professionals. Known key ecosystems and habitats are protected as per site specific operating plans.</p> <p>Confirmation of management practices is part of the supplier risk assessment and monitoring system:</p> <ol style="list-style-type: none"> 1. Fibre Purchase Contract - Premium Pellet 2. Log Purchase Agreement – L&M Lumber 3. SFI Wood Procurement processes and risk assessments. 4. Wood Producer Information Packages. 5. FLNRO COMPLIANCE & ENFORCEMENT Reports 6. SFI Internal & External Audit Reports 7. L&M Inspections of Purchase Fibre Sites
Evidence and Locally Applicable Verifier	<ol style="list-style-type: none"> 1. Fibre Purchase Contracts Supplier Assertion – Premium Pellet 2. Log Purchase Agreement – L&M 3. L&M Lumber Ltd Forest Stewardship Plan

Reviewed	<p>4. Provincial Legislation</p> <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia ➤ The Migratory Bird Act <p>5. Federal Legislation</p> <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada <p>6. Company BMP's</p> <p>7. SFI Wood Procurement processes and risk assessments</p> <p>8. WISC Wood Producer Information Packages.</p> <p>9. FLNRO COMPLIANCE & ENFORCEMENT Reports</p> <p>10.SFI Internal & External Audit Reports</p> <p>11.Company Inspections of Purchase Fibre Sites</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	

	Indicator
2.2.4	The BP has control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Description and Procedure	<p>The vast majority of timber harvested in British Columbia is harvested from Government owned lands under the authority of a license issued by the Crown. The Forest and Range Practices Act of British Columbia (FRPA) requires that all Crown granted licenses have a Forest Stewardship Plan (FSP) (Major Licensees) or Management Plan (Woodlots) approved by government prior to harvesting. These plans specify measures to protect biodiversity, water quality, ecological and biological diversity, culturally significant sites, and wildlife. These plans also define requirements for retention of standing timber in harvest units. FLNRO audits these plans to ensure that licensee's comply with their approved plans in the field. Stand Level Site Plans are then developed and implemented by Registered Professional Foresters that identify area's to be retained after harvesting operations are completed. Areas designated for retention are selected based on the FRPA requirement to protect ecological significance, biodiversity, riparian values or wildlife habitat.</p> <p>The Nechako Group of Companies have developed and implemented Best Management Practices for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. These BMP's are designed to meet or exceed the requirements of FRPA and are distributed to contractors with the company purchase wood contracts. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. The first part risk assessment looks at the wood supplier, source of the timber, and the certification status of timber involved. Suppliers who are considered higher risk, generally due to their certification status, are evaluated based on past practices, past audits and legislative contraventions. If the Supplier is considered higher risk after the evaluation then field audits must be implemented by the company. A field audit looks at the site in detail and confirms that all operations have been conducted in a manner that complies with Provincial and Federal legislation as well as company BMP's.</p> <p>Purchase Fibre Contracts contain a Supplier Assertion that states harvesting operations will be conducted in accordance with local laws, including biodiversity conservation and management of area's with high environmental and cultural values.</p>
Means of Verification	<p>Assessments are completed through GIS layer searches and on the planned harvest areas through ground reconnaissance work by resource professionals. Known key ecosystems and habitats are protected as per site specific operating plans.</p> <p>Confirmation of management practices is part of the supplier risk assessment and monitoring system:</p> <ol style="list-style-type: none"> 1. Fibre Purchase Contract 2. SFI Wood Procurement processes and risk assessments. 3. Wood Producer Information Packages. 4. Prince George Licensees Landscape Objectives Working Group
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Fibre Purchase Contracts 2. Provincial Legislation <ul style="list-style-type: none"> ➢ the Forest Act; ➢ the Forest Practices Code or Forest & Range Practices Act, whichever applies

	<ul style="list-style-type: none"> ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia <p>3. Federal Legislation</p> <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada ➤ The Migratory Bird Act <p>4. Company BMP's</p> <p>5. SFI Wood Procurement processes and risk assessments</p> <p>6. WISC Wood Producer Information Packages.</p> <p>7. LNRO COMPLIANCE & ENFORCEMENT Reports</p> <p>8. SFI Internal & External Audit Reports</p> <p>9. Company Inspections of Purchase Fibre Sites</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.5	The BP has control systems and procedures for verifying that the process of residue removal minimizes harm to ecosystems.
Description and Procedure	<p>At this time the Producer does not utilize residue from harvesting operations to produce wood pellets. Prior to removing timber from a site the Forest and Range Practices Act of British Columbia (FRPA) requires that all Crown granted licenses have a Forest Stewardship Plan (FSP) (Major Licensees) or Management Plan (Woodlots) approved by government prior to harvesting. These plans specify measures to protect biodiversity, water quality, ecological and biological diversity, culturally significant sites, and wildlife. FLNRO audits these plans to ensure that licensee's comply with their approved plans in the field. Stand Level Site Plans are then developed and implemented by Registered Professional Foresters that specify area's to be retained after harvesting operations are completed for retention of areas of ecological significance, riparian retention or wildlife habitat.</p> <p>The Nechako Group of Companies have developed and implemented Best Management Practices for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. These BMP's are designed to meet or exceed the requirements of FRPA and are distributed to contractors with the company purchase wood contracts. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. The first part risk assessment looks at the wood supplier, source of the timber, and the certification status of timber involved. Suppliers who are considered higher risk, generally due to their certification status, are evaluated based on past practices, past audits and legislative contraventions. If the Supplier is considered higher risk after the evaluation then field audits must be implemented by the company. A field audit looks at the site in detail and confirms that all operations have been conducted in a manner that complies with Provincial and Federal legislation as well as company BMP's.</p> <p>Purchase Fibre Contracts contain a Supplier Assertion that states harvesting operations will be conducted in accordance with local laws, including biodiversity</p>

	conservation and management of area's with high environmental and cultural values.
Means of Verification	<ol style="list-style-type: none"> 1. Fibre Purchase Contract 2. Log Purchase Agreement 3. SFI Wood Procurement processes and risk assessments. 4. Wood Producer Information Packages. 5. Cutting Specifications
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Fibre Purchase Contracts 2. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia ➤ The Migratory Bird Act 3. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada 4. Company BMP's 5. SFI Wood Procurement processes and risk assessments 6. WISC Wood Producer Information Packages. 7. FLNRO Compliance & Enforcement Reports 8. SFI Internal & External Audit Reports 9. Company Inspections of Purchase Fibre Sites 10. Cutting Specifications 11. Inspections
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.6	The BP has control systems and procedures to verify that negative impacts on ground and surface water from forest management are minimised (CPET S5b).
Description and Procedure	<p>The vast majority of timber harvested in British Columbia is harvested from Government owned lands under the authority of a license issued by the Crown. The Forest and Range Practices Act of British Columbia (FRPA) requires that all Crown granted licenses have a Forest Stewardship Plan (FSP) (Major Licensees) or Management Plan (Woodlots) approved by government prior to harvesting. These plans specify measures to protect biodiversity, water quality, ecological and biological diversity, culturally significant sites, and wildlife. These plans also define requirements for retention of timber in harvest units and specify retention requirements around riparian features. FLNRO audits these plans to ensure that licensee's comply with their approved plans in the field. Stand Level Site Plans are then developed and implemented by Registered Professional Foresters that identify area's to be retained after harvesting operations are completed. Areas designated for retention are selected based on the FRPA requirement to protect ecological significance, biodiversity, riparian values or wildlife habitat.</p> <p>The Nechako Group of Companies have developed and implemented Best Management Practices for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. These BMP's are designed to meet or exceed the requirements of FRPA and are distributed to contractors with the company purchase wood contracts. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. The first part risk assessment looks at the wood supplier, source of the timber, and the certification status of timber involved. Suppliers who are considered higher risk, generally due to their certification status, are evaluated based on past practices, past audits and legislative contraventions. If the Supplier is considered higher risk after the evaluation then field audits must be implemented by the company. A field audit looks at the site in detail and confirms that all operations have been conducted in a manner that complies with Provincial and Federal legislation as well as company BMP's.</p> <p>Purchase Fibre Contracts contain a Supplier Assertion that states harvesting operations will be conducted in accordance with local laws, including biodiversity conservation and management of area's with high environmental and cultural values.</p>
Means of Verification	<p>Assessments are completed through GIS layer searches and on the planned harvest areas through ground reconnaissance work by resource professionals. Known key ecosystems and habitats are protected as per site specific operating plans.</p> <p>Confirmation of management practices is part of the supplier risk assessment and monitoring system:</p> <ol style="list-style-type: none"> 1. Fibre Purchase Contract – Premium Pellet 2. Log Purchase Agreements – L&M 3. SFI Wood Procurement processes and risk assessments. 4. Wood Producer Information Packages.
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Fibre Purchase Contracts. 2. Log Purchase Agreements 3. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act;

	<ul style="list-style-type: none"> ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia ➤ The Migratory Bird Act <p>4. Federal Legislation</p> <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada <p>5. Company BMP's</p> <p>6. SFI Wood Procurement processes and risk assessments</p> <p>7. WISC Wood Producer Information Packages.</p> <p>8. FLNRO Compliance & Enforcement Reports</p> <p>9. SFI Internal & External Audit Reports</p> <p>10. Company Inspections of Purchase Fibre Sites</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.7	The BP has control systems and procedures for verifying that air quality is not adversely affected by forest management activities.
Description and Procedure	<ol style="list-style-type: none"> 1. Equipment used to harvest and generate biomass is regularly inspected and maintained. This includes the use of modern engine designs and the changing of air filters at specified periods. 2. Slash piles from logging are not burned if they can be economically delivered to the mill sites. 3. Biomass production facility emission air quality is monitored by the company and the Ministry of Environment to ensure compliance with the air quality standards. 4. Forest Fire Regulations require a burning reference number and have stipulations requiring appropriate venting before a slash pile burn can commence. 5. If deemed economical slash piles are chipped/ground in the bush.
Means of Verification	<ol style="list-style-type: none"> 1. Canada's Clean air Act 2. the <i>Open Burning Smoke Control Regulation (OBSCR)</i>: http://www.bcairquality.ca/reports/agttobsc.html 3. District of Vanderhoof see their Burning Control Regulations Bylaw: http://www.vanderhoof.ca/District/Bylaws.html 4. <i>Wildfire Act/Regulation</i>, http://bcwildfire.ca/LegReg/. 5. Purchase Wood Contracts
Evidence and Locally Applicable Verifier	<ol style="list-style-type: none"> 1. FLNRO Compliance & Enforcement Reports 2. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act;

Reviewed	<ul style="list-style-type: none"> ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia <p>3. Federal Legislation</p> <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada ➤ The Migratory Bird Act <p>4. SFI Internal & External Audit Reports</p> <p>5. Company Hazard Inspections</p> <p>6. Company Inspections of Purchase Fibre Sites</p> <p>7. Burn Reference Number</p> <p>8. Local Forecast Data</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.8	The BP has control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated pest management (IPM) is implemented wherever possible in forest management activities (CPET S5c).
Description and Procedure	The provincial government has legislation in place to ensure that there is controlled and appropriate use of chemicals for pest management in British Columbia. The company operates under the approved Pest Management Plan for applicable use of herbicides. All buffers are in place prior to any application.
Means of Verification	For areas where it is necessary to implement a forest chemical application program, a Pest Management Plan will then be developed in accordance with relevant laws, regulations and guidelines. The plan will include all appropriate methods of manual, mechanical and chemical ground control for the types of impediment encountered within our operating area. The company's do not conduct chemical aerial application. A site assessment will be conducted on each unit to determine the type of brush, to what extent it is present, other impediments to free growing, and the most appropriate method of control.
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Site Plans 2. Forest Stewardship Plans 3. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ Integrated Pest Management Act ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Foresters Act of British Columbia 4. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada ➤ The Migratory Bird Act 5. Company BMP's 6. SFI Wood Procurement processes and risk assessments 7. FLNRO Compliance & Enforcement Reports

	8. Pest Management Plans 9. SFI Internal & External Audit Reports 10. Inspections completed to ensure efficacy. 11. Contracts with applicators specifying species and applicable application criteria.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.9	The BP has control systems and procedures for verifying that methods of waste disposal minimize negative impacts on forest ecosystems (CPET S5d).
Description and Procedure	The province requires that spills of hazardous materials be reported and cleaned up as soon as possible. The Spill Prevention and Response plan details reporting and clean-up requirements for the province and the company. Inspections ensure waste materials are cleaned up and taken to the appropriate designated facility.
Means of Verification	Company Environmental Policies and Training Programs communicate the requirement to remove all waste from the site concurrent with operations. This is verified through monitoring the sites during operations. <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada
Evidence and Locally Applicable Verifier Reviewed	1. Spill Prevention and Response plan 2. SFM EMS Guidebook 3. BMP's 4. Spill Training Records in DATS 5. Site Inspections. 6. Harvesting Contracts
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.1	Calculations show 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.
Description and Procedure	Under the Forest Act, Part 2, section 8: the Chief Forester is required to evaluate the Allowable Annual Cut (AAC) periodically. The AAC determination includes a timber supply analysis, social-economic analysis, public discussion paper, summary of public input and a rationale statement. The objectives of this analysis include: identifying relevant current forest management practices and assessing their effects on short and long term timber supply; identifying related economic, environmental and social factors including; identifying where improved information is required for future forecasts; and for interested parties to provide the Chief Forester with information. The Chief Forester uses the information to adjust the AAC. The Minister of Forests then apportions that volume between the Licensees (including the company's).
Means of Verification	<ul style="list-style-type: none"> ➤ the Forest Act; ➤ Records for harvest levels are available in the Harvest Billing System.
Evidence and Locally Applicable Verifier Reviewed	Timber Supply review's for the Lakes, Prince George and Mackenzie TSA
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Description and Procedure	The company's provide adequate training for all personnel, including employees and contractors. This is a requirement of the company EMS system and documented needs for specific job functions exist in the Training Needs Matrix.
Means of Verification	All staff and contractors are trained to ensure they are aware and competent. The operations identify environmental and sustainable forestry training needs for employees and contractors to ensure that individuals performing tasks which can cause significant environmental impacts are competent on the basis of appropriate education, training and / or experience. A training package is available and used providing guidance on managing environmental risks. The basis for this package is legal and other requirements. Training requirements are also defined in the training needs matrix which define "who needs what training" and includes a frequency for the training. Training for Staff and Contractors is tracked and monitored using Advanced Safety Managements Digital Action Tracking System (DATs). This system provides real-time tracking of safety training and tracking.

Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. EMS/SFI Training Matrix 2. EMS/SFI Internal & External Audit 3. EMS/SFI Management Review 4. L&M Lumber/Premium Pellet Digital Action Tracking System 5. Provincial Legislation <ul style="list-style-type: none"> ➤ the Workers Compensation Act;
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	To Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy.
Description and Procedure	The harvesting of feedstock and biomass production positively contributes to the local economy. Staff and contractors live in the general area of the facility and local businesses are sourced first for equipment and supplies.
Means of Verification	The work force for the company’s facilities is hired locally and from the adjoining communities where the milling plants are located. Wherever possible, equipment, supplies and other resources are also sourced locally. The facilities also contribute to the communities in the form of municipal taxes.
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Employee addresses 2. Tax Bill 3. Account Payables 4. Supplier listings
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.4.1	The BP has control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).
Description and Procedure	<p>There are systems and procedures in place for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).</p> <p>The company certification systems and internal requirements ensure all company licenses are monitored and the supplier risk assessments determine site specific inspections for moderate and high risk procurement sites.</p>
Means of Verification	<p>The Company's with forest lands participate in efforts to focus on detection of forest health agents and prioritize blocks for harvest to minimize loss of wood quality and spread of the forest health concern where possible. The MoFLNRO provides forest health information to the company's in the form of research and annual forest health survey results.</p> <p>The Company's conform to applicable laws, regulations and follows guidelines regarding initial fire attack as outlined in the Wildfire Act. An Annual Fire Preparedness Plan is developed and implemented for field activities by the company's.</p>
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. FLNO FREP reports 2. FLNRO Compliance & Enforcement Reports 3. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ Wildfire Act ➤ the Foresters Act of British Columbia 4. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada 5. Annual Fire Preparedness plan 6. http://bcwildfire.ca/default.htm 7. Inspections
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	

	Indicator
2.4.2	The BP has control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Description and Procedure	<p>There are control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b). The Company's with forest lands participate in efforts to focus on detection of forest health agents and prioritize blocks for harvest to minimize loss of wood quality and spread of the forest health concern where possible. The MoFLNRO provides forest health information to the company's in the form of research and annual forest health survey results.</p> <p>The Company's conform to applicable laws, regulations and follows guidelines regarding initial fire attack as outlined in the Wildfire Act. An Annual Fire Preparedness Plan is developed and implement.</p> <p>Fire drills are completed during fire season by the company staff and contractors. Harvesting of Mountain Pine Beetle stands is still an objective over the supply base.</p>
Means of Verification	<p>The Ministry of Forests Land and Natural Resource Operations are responsible for monitoring forest Health and vitality in British Columbia. Ariel overview flights are completed annually by ministry employees and the information collected is analyzed and shared with licensee's to ensure that it can be dealt with in Development plans and site plans.</p> <p>MoFLNRO FREP Reports: http://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/forest-health</p>
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. FLNRO FREP reports 2. FLNRO Compliance & Enforcement Reports 3. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ Wildfire Act ➤ the Foresters Act of British Columbia 4. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada 5. Annual Fire Preparedness plan 6. http://bcwildfire.ca/default.htm 7. Partition Agreements with companies and government to harvest MPB stands
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.4.3	The BP has control systems and procedures for verifying that there is adequate protection of the forest from unauthorized activities, such as illegal logging, mining and encroachment (CPETS7c).
Description and Procedure	<p>The risk of Illegal logging in British Columbia is negligible.</p> <ol style="list-style-type: none"> 95 % of the Forests in British Columbia are owned by the Province. Strong legislation is in place in BC to ensure the scaling and transportation of logs and wood fibre is documented. Company contracts state logs and wood fibre does not originate from controversial sources i.e. illegal or unauthorized sources. Where a company harvests from Crown lands it is responsible to pay the Crown a predetermined stumpage rate. The Harvest Billing System of the MoFLNRO tracks timber marks which are specific to the origin of the logs and volumes to determine the stumpage owed by each company to the crown. Supplier specific risk assessments determine if an inspection is required
Means of Verification	<ol style="list-style-type: none"> Fibre Purchase Agreements L&M Lumber LIMS reports SFI Risk Rating FLNRO Harvest Billing System Timber Marks
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> Fibre Purchase Agreements Provincial Legislation <ul style="list-style-type: none"> the Forest Act; the Forest Practices Code or Forest & Range Practices Act, whichever applies the Foresters Act of British Columbia L&M Lumber LIMS reports SFI Risk Rating Company Inspections FLNRO Compliance & Enforcement Reports
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.5.1	The BP has control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest, are identified, documented and respected (CPET S9).
Description and Procedure	The company has control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest, are identified, documented and respected (CPET S9). The company also has a FN harvesting contractor and agreements with numerous FN's to supply logs to the facility.
Means of Verification	The courts of Canada have established a legally binding consultation system. Treaty 8 exists over portions of the area in north central BC. The Forest and Range Practices Act requires efforts to be made in information sharing between the forest industry and First Nations as a means to identify where necessary conservation and protection of cultural and heritage resources are found. There is no evidence of violations of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forested area of this risk assessment according to Amnesty International.
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. http://sa-international.org/index.cfm 2. http://www.labour.gc.ca/eng/standards_equity/ 3. http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c._986/ 4. http://www.labour.gov.bc.ca/esb/ 5. http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/396_95 6. Amnesty International Canada: http://www.amnesty.ca/canada/IPstandards.php 7. BC Human Rights Tribunal: http://www.bchrt.bc.ca/index.htm 8. Forest Steward Ship Plan 9. FN Agreements and contracts 10. Harvesting Contract with Tinto
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.5.2	The BP has 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 fulfilment of basic needs.
Description and Procedure	The Province of British Columbia owns 95 % of the Forests in British Columbia and has strong legislation in place to ensure that soil, water, wildlife, biodiversity and cultural/special sites are protected and maintained. The Forest and Range Practices act details the results that are expected when harvesting operations are conducted on public land in British Columbia. The companies have BMP's that allow them to meet the requirements of FRPA. The company distributes a Wood Producer Information Package, which details the best management practices for harvesting and reforestation, to all sellers as part of its SFI wood procurement procedure.
Means of Verification	<ol style="list-style-type: none"> 1. The company's will distribute its BMP's with the company purchase wood contracts. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. 2. SFI Wood Procurement processes and risk assessments. 3. Wood Producer Information Packages. 4. Forest Stewardship Plans on Crown Land 5. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Waste Management Act and Environmental Management Act of British Columbia; ➤ Wildfire Act ➤ the Foresters Act of British Columbia 6. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada 7. Silviculture Plans on crown land. 8. Contracts for purchased wood fibre will include the terminology for the supplier to use the BMP's provided the companies have appropriate internal management systems to ensure that all supplier of wood fibre are monitored for compliance. This is determined through the individual supplier risk assessments, which determine whether onsite inspections are completed. All inspections are documented and filed accordingly by the company. 9. Typical management systems include wood fibre scaling systems and databases, environmental management systems, human resource policies and procedures, health and safety programs, wood procurement programs and procedures associated with PEFC Chain of Custody certification. Company staff also has assigned roles and responsibilities which are documented in the company management systems. 10. All records pertaining to the standards are listed in the management systems pertinent to the standard requirements and maintained for a minimum of 5 years. 11. An annual management review of the standard requirements and systems is completed with the company top management and documented in the meeting minutes.

Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. FLNRO FREP Reports 2. Fibre Purchase Agreements 3. SFI Risk Rating 4. FLNRO COMPLIANCE & ENFORCEMENT Reports 5. FN Agreements and Contracts
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.6.1	<p>The BP has control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.</p>
Description and Procedure	<p>To date, the companies have not received any comments supported by reliable evidence from our customers or other external parties relating to our supplies with respect to controversial sources (i.e., illegal or unauthorized harvesting). Supporting Information. The company documents all complaints related to its operations and certification systems.</p> <p>For example:</p> <ol style="list-style-type: none"> 1. Internal File: Complaints File – Records of Discussion, Emails and Diary Entries. Upon receipt of the complaint the company's will: <ol style="list-style-type: none"> a) acknowledge the complaint b) evaluate and validate the complaint c) make a decision on the complaint and communicate its decision to the complainant including the complaint handling process d) Ensure the appropriate corrective and preventative actions are taken. <p>A substantiated concern provided by a third party concerning supplier compliance with legal requirements will be investigated and if validated will result in a re-assessment of the risks associated with the relevant supplies. If determined to be a “specified risk” the company will request additional information from the supplier. The company may also carry out a second or third party inspection of the supplier’s operation. Substantiated complaints will be forwarded to SBP within 30 days.</p> <p>Specified/Unspecified Risk Supplies will always include:</p> <ul style="list-style-type: none"> • Onsite inspections or documented review to determine the material origin is non-controversial. • A review of the legislation applicable to the origin of the supply. • Third party (if applicable) inspections by qualified reviewers. • A thorough review of the supply chain of the supplier. <p>Procedure for Corrective Measures (if required)</p> <ul style="list-style-type: none"> • All corrective measures will be documented with responsibility and timelines assigned to the action plans. • Risk mitigation measures to ensure preventative measures are employed addressing the risk identified.

	<ul style="list-style-type: none"> • Cancellation of any contract until the supplier can demonstrate that appropriate risk mitigation measures have been employed. <p>Cancellation of Contracts</p> <ul style="list-style-type: none"> • This will include timber known or reasonably suspected as coming from illegal sources. • The company will not process, trade or place on the market logs or wood fibre that are reasonably suspected as coming from illegal sources.
Means of Verification	Documented Complaints
Evidence and Locally Applicable Verifier Reviewed	EMS Manual PEFC Systems Record of Discussions Customer Responses Emails and Diary Entries
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.1	The BP has control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.
Description and Procedure	Human Resource staff implements company policies to ensure employment standards are complied with and the right to Freedom of Association and to Collective bargaining are protected under the charter.
Means of Verification	Review of current company policies and agreements.
Evidence and Locally Applicable Verifier Reviewed	Company Policy and Procedure Manual Provincial and Federal Employment Standard Acts and labour codes. Company Human Resource Manuals and Policies e.g. Anti-Harassment DATS System – Required Training for all Staff Company Contracts Purchase Wood Agreements
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.2	The BP has control systems and procedures for verifying that all forms of compulsory labour have been eliminated.
Description and Procedure	Human Resource staff implements company policies to ensure Provincial and Federal employment standards are complied with. Provincial and Federal Employment Standard Acts and labour codes ensure that items such as Minimum Age Requirements are defined and complied with.
Means of Verification	Review of Company procedures manual to ensure compliance with Provincial and Federal Employment Standard Acts and labour codes.
Evidence and Locally Applicable Verifier Reviewed	<p>Company employment manual Provincial and Federal Employment Standard Acts and labour codes. Company Human Resource Manuals and Policies e.g. Minimum Age Requirements</p> <p>Forest employment in Canada is regulated under federal and provincial labour codes which prohibit child labour, provide for a safe and healthy workplace, protect workers' rights to organize and are consistent with the ILO provisions. There is also no evidence of child labour violations.</p> <p>http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c._986/ http://www.labour.gov.bc.ca/esb/ http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/396_95</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.3	The BP has control systems and procedures to verify that child labour has been abolished.
Description and Procedure	Forest employment in Canada is regulated under federal and provincial labour codes which prohibit child labour, provide for a safe and healthy workplace, protect workers' rights to organize and are consistent with the ILO provisions. There is also no evidence of child labour violations.
Means of Verification	Review of Company Policy manual
Evidence and Locally Applicable Verifier Reviewed	<p>Provincial and Federal Employment Standard Acts and labour codes. Company Human Resource Manuals and Policies e.g. Minimum Age Requirements</p> <p>http://sa-international.org/index.cfm http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c._986/ http://www.labour.gov.bc.ca/esb/ http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/396_95</p>

Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.4	The BP has control systems and procedures for verifying that discrimination in respect of employment and occupation is eliminated.
Description and Procedure	Forest employment in Canada is regulated under federal and provincial labour codes which prohibit child labour, provide for a safe and healthy workplace, protect workers' rights to organize and are consistent with the ILO provisions. There is also no evidence of discrimination violations between the company's and their workers.
Means of Verification	Review of Company Policy Manual
Evidence and Locally Applicable Verifier Reviewed	Provincial and Federal Employment Standard Acts and labour codes. Company Human Resource Manuals and Policies e.g. Anti-discrimination Policies http://sa-international.org/index.cfm http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c._986/ http://www.labour.gov.bc.ca/esb/ http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/396_95
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.5	The BP has control systems and procedures for verifying that pay and employment conditions are fair and meet, or exceed, minimum requirements.
Description and Procedure	Forest employment in Canada is regulated under federal and provincial labour codes which prohibit child labour, provide for a safe and healthy workplace, protect workers' rights to organize and are consistent with the ILO provisions. There is also no evidence of child labour violations.
Means of Verification	Review of Company Policy Manual
Evidence and Locally Applicable Verifier Reviewed	Provincial and Federal Employment Standard Acts and labour codes. Company Human Resource Manuals and Policies e.g. Minimum Age Requirements Minimum wage requirements http://sa-international.org/index.cfm http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c._986/ http://www.labour.gov.bc.ca/esb/ http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/396_95
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.8.1	The BP has control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).
Description and Procedure	The company's comply with all occupational health and safety regulations in BC. This also includes company specific safety policies, programs employee handbooks. Training programs for safety are implemented and records are maintained by the company's. Safety committees are established and meet at a minimum monthly. Incident investigation procedures are established, implemented and maintained. Personal protective equipment is required at all operations.
Means of Verification	Review DATS system for current policies and procedures
Evidence and Locally Applicable Verifier Reviewed	1. Company safety programs(DATS) 2. Woodlands Operations have been Safe Certified by the BC Forest Safety Council 3. Worksafe BC regulations http://www2.worksafebc.com/publications/ohsregulation/home.asp

Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	Mills safe certification through the forest safety council is being explored
Description and Procedure	

	Indicator
2.9.1	Biomass is not be sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.
Description and Procedure	The Company is not sourcing fibre from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks
Means of Verification	Wood fibre is not sourced from wetlands, peatlands, riparian reserve zones or protected areas. All harvesting is regulated by the Forest and Range Practices Act in BC which has stringent controls to ensure the protection of areas deemed to have high carbon stocks. Areas harvested for feedstock also are still being sourced from areas where the Mountain pine beetle has killed and are now deemed to be grey attack, dead forests. These areas once harvested are promptly reforested as per Ministry of Forests, Lands, Natural Resource Operations regulations and requirements in BC. New plantations act as a carbon sink over typical harvest rotation ages of 80-100 years. Harvesting rates are determined through Timber Supply Reviews completed by British Columbia's Chief Forester.
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Review of Prince George, Lakes & Mackenzie Timber Supply Review 2. Review of Site Plans and Forest Stewardship Plan 3. Provincial Legislation <ul style="list-style-type: none"> ➤ the Forest Act; ➤ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➤ the Foresters Act of British Columbia 4. Federal Legislation <ul style="list-style-type: none"> ➤ the Fisheries Act and the Species at Risk Act of Canada; ➤ the Canadian Environmental Protection Act of Canada 5. Silviculture Plans on crown land.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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.
Description and Procedure	Feedstock harvesting by the company's is generally comprised of Mountain Pine Beetle killed timber which is acting as a carbon source to the atmosphere. The harvested stands are then reforested which act as an effective carbon sink. Reforestation is mandated for all crown lands within the province and the supply areas of the company's.
Means of Verification	Review of Companies SFI Report
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Yearly SFI Report 2. Review of Site Plans and Forest Stewardship Plan 3. Provincial Legislation <ul style="list-style-type: none"> ➢ the Forest Act; ➢ the Forest Practices Code or Forest & Range Practices Act, whichever applies ➢ the Foresters Act of British Columbia 4. Silviculture Plans on crown land.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.10.1	Genetically modified trees are not used.
Description and Procedure	All tree seed used on crown land in British Columbia is managed by FLNRO's Tree Seed Improvement Branch and must be registered in SPAR. The Tree Improvement Branch of the MoFLNRO ensures no genetically modified tree seed is registered or used in operational forest planting on crown land in BC.
Means of Verification	http://www.for.gov.bc.ca/hti Chief Foresters Tree Seed use standards <ul style="list-style-type: none"> ➢ http://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/tree-seed/legislation-standards/chief-forester-s-standards-for-seed-use
Evidence and Locally Applicable Verifier Reviewed	Company's Tree Seed order from FLNRO
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

Comment or Mitigation Measure	
Description and Procedure	

	Indicator
3.1.1	The BP implements a management and monitoring system to maintain compliance with the requirements of this Standard, together with a process of review and feedback into planning (CPET S6b).
Description and Procedure	The company's will internally audit their compliance to the standard annually prior to the external certification body audit. This will ensure all issues are addressed with corrective and preventative action plans which will be documented by the company's. An annual management review of the standard requirements and systems is completed with the company top management and documented in the meeting minutes.
Means of Verification	Review of Meeting Minutes
Evidence and Locally Applicable Verifier Reviewed	Company Management Review Agenda's and Meeting Minutes
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
3.1.2	The BP management system is appropriate to the type, range and volume of work performed.
Description and Procedure	Electronic management systems such as scaling programs and record filing systems exist for each company to ensure their management systems are effective and within the scope of their operations. New technology is implemented where appropriate and continual improvement is the basis for the company management systems.
Means of Verification	Review Systems currently in Use
Evidence and Locally Applicable Verifier Reviewed	Digital Action Tracking System Log Inventory Management System

Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
3.1.3	The BP management system documents all necessary procedures.
Description and Procedure	The Company management system documents all necessary procedures
Means of Verification	Documents and records are developed to support the standard and are filed in either paper or electronic format by the company. These documents are reviewed annually to ensure effectiveness and applicability.
Evidence and Locally Applicable Verifier Reviewed	<ol style="list-style-type: none"> 1. Best Management Practices 2. Fibre Supply Contracts 3. Risk Evaluation 4. DATS (Digital Action Tracking System)
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
3.1.4	The management system identifies the personnel responsible for implementing systems and procedures.
Description and Procedure	The Company's management system identifies the personnel responsible for implementing systems and procedures.
Means of Verification	Typically the company Fibre Managers who purchase wood fibre from suppliers have the main responsibility for implementing the standards and supplier based risk evaluations. Other roles and responsibilities will be included in job descriptions for staff and employees as applicable. These will be documented in the company PEFC or SFM procedures.
Evidence and Locally Applicable Verifier Reviewed	Company roles and responsibilities

Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
3.1.5	Key records pertaining to this Standard are kept for at least five years.
Description and Procedure	All records required to ensure compliance with the standard will be listed and are required to be maintained for a minimum of 5 years consistent with the PEFC standard.
Means of Verification	Physical review of the Contracts and Supplier Risk Assessments
Evidence and Locally Applicable Verifier Reviewed	Supplier Risk Assessments Contracts with Suppliers
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
3.2.1	The BP implements a management review system, which should have the authority to make appropriate improvements to the management system.
Description and Procedure	The company's complete an annual management review with top management to ensure their performance to the standard is reviewed. The timing of the management review will be after the annual internal audit and prior to the certification body audit. There is an agenda developed and meeting minutes are taken. The management review will also focus on improvement areas and document changes to the systems as required. The management review will also evaluate the effectiveness and applicability of systems implemented to meet the standard.
Means of Verification	Review of current PEFC/SFI/EMS Management Meetings agenda's and Notes
Evidence and Locally Applicable Verifier Reviewed	Management Meeting Agenda and Minutes

Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
3.2.2	Relevant personnel are informed promptly of any changes to management systems.
Description and Procedure	As the systems evolve and are implemented changes may be necessary to ensure effectiveness and the applicability of the procedures. The systems revolve around a continual improvement loop which allows for changes to exist.
Means of Verification	Review of Management Meeting Notes for PEFC and SFI Management Meeting
Evidence and Locally Applicable Verifier Reviewed	Management Meeting Notes (PEFC & SFI Management Meeting) List of Attendee's for Management Meeting
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	