

# Supply Base Report: Canfor Energy North Limited Partnership - Chetwynd Operation

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## Completed in accordance with the Supply Base Report Template Version 1.2

*For further information on the SBP Framework and to view the full set of documentation see [www.sbp-cert.org](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

Producer name: Canfor Energy North - Limited Partnership - Chetwynd facility  
 Producer location: 4700 50th St./Box 180, Chetwynd, BC, Canada, V0C1J0  
 Geographic position: 55° 42' 3" N 121° 37' 29" W  
 Primary contact: Maria Silver  
 Company website: <https://www.canfor.com/products/energy/pellets>  
 Date report finalised: 31/Aug/ 2018  
 Close of last CB audit: n/a. First SBR and SBP registration audit.  
 Name of CB: Control Union  
 Translations from English: No  
 SBP Standard(s) used: Standards #2/4/5/6  
 Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>  
 SBP Endorsed Regional Risk Assessment: n/a  
 Weblink to SBE on Company website: n/a

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

## 2 Description of the Supply Base

### 2.1 General description

The CENLP's feedstock originates exclusively from sawmill residuals. The majority of the input is onsite from the Canfor Chetwynd sawmill (95%) with a minor component of residuals shipped from other sawmilling facilities which can include Canfor's Fort St. John Sawmill, or various sawmills in Northern BC and Northern/West Central Alberta. CENLP is not currently receiving any feedstock from post-harvest forest residuals (i.e. logging waste) or from biomass logs.

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

CENLP uses primarily SPF residuals (spruce/pine/balsam fir). No softwood or hardwood species native to British Columbia or Alberta are listed in CITES.

CENLP's feedstock is largely SBP-compliant as the residuals are transferred as certified under each supplier's PEFC™ Chain of Custody certificate with a PEFC certified claim. Any portion of the residuals transfer that is not PEFC™ certified is PEFC™ controlled and has been screened through Canfor's PEFC™ due diligence system.

CENLP does not procure any feedstock that is not SBP-compliant or SBP-controlled.

### 2.2 Actions taken to promote certification amongst feedstock supplier

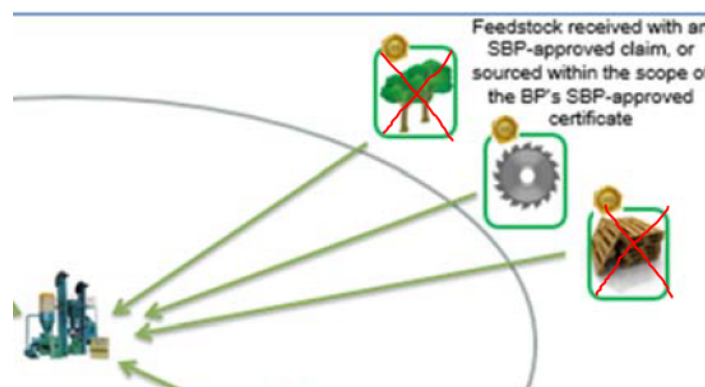
No actions taken or required. All residual fibre inputs come from sawmilling/planer mill waste. Canfor Corporation and the other suppliers hold forest management (CSA Z809-16/SFI® FM) certification as well as PEFC™ chain of custody certification.

Forest certification is common in North America and in Canada with some of the largest tracts of forestland certified to Canada's national forest management standard, CSA Z809, the SFI® forest management standard and to a lesser extent, one of Canada's four FSC regional land management standards.

## 2.3 Final harvest sampling programme

A sampling program is not required as there is no harvesting for residuals. All residual fibre inputs come from sawmilling/planer mill waste. Canfor Corporation is CSA Z809-16 and PEFC™ certified as identified earlier and subject to audits on their forestlands. The transfer of residuals is done under supplier's PEFC™ CoC certificates providing assurance that the feedstock is non-controversial.

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








## 2.5 Quantification of the Supply Base




### Supply Base

- Total Supply Base area (ha): Fort St John TSA, Dawson Creek TSA and TFL #48, Mackenzie TSA, Data on certified areas derived from Certification Canada (<http://certificationcanada.org/index.php/maps-en/provincial/bc>). Data on the uncertified %'s are the % area uncertified for each TSA. Information on Timber Supply Areas (TSA's), Tree Farm Licences (TFL's) and their gross areas/timber harvesting land base areas and allowable annual cuts are derived from the most current timber supply review documents which can be found at (<https://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/timber-supply-review-and-allowable-annual-cut>).
- Tenure by type (ha): 95% public tenures (forest licence [replaceable & non-replaceable]/tree farm licence, community forest agreements, woodlots and forest licence to cut with minor private lands held as part of TFL's. For AB the tenures are called FMA's, Timber Quotas and Timber permits (Commercial Timber permits, Community Timber permits, Local Timber permits and Forest Products Tags).
- Forest by type (ha): 95% boreal, 5% sub-boreal
- Forest by management type (ha): 100% managed natural forest
- Certified forest by scheme (ha): ~95%.

**Dawson Creek TSA and TFL 48**

COMPANY ⓘ	SHARE ⓘ	DIVISION ⓘ	STANDARD ⓘ	CERT. AREA ⓘ	CERT. REPORT ⓘ	COMMENTS ⓘ
<a href="#">Louisiana Pacific Canada Ltd.</a>	24.3	Western Canada Region	SFI	1,961,298		Reflects entire Louisiana Pacific Canada Ltd. Western Canada Region Division
<a href="#">West Fraser Mills, Ltd.</a>	19.98	Chetwynd Forest Industries	SFI	459,476		
<a href="#">BC Timber Sales</a>	21.57	Peace-Laird Business Area - Dawson Creek TSA	SFI	468,761		
Non-Certified	34.15	N/A	N/A	0		
<a href="#">Canfor Corporation &amp; Canfor Forest Management Group (TFL 48)</a>	77.65	British Columbia	CSA	13,411,992		Reflects entire Canfor Corporation & Canfor Forest Management Group BC Division
<a href="#">BC Timber Sales (TFL 48)</a>	7.51	Peace-Laird Business Area - TFL 48	CSA	83,184		
Non-Certified (TFL 48)	14.84	N/A	N/A	0		

**Fort St. John TSA**

COMPANY ⓘ	SHARE ⓘ	DIVISION ⓘ	STANDARD ⓘ	CERT. AREA ⓘ	CERT. REPORT ⓘ	COMMENTS ⓘ
<a href="#">Canfor Corporation &amp; Canfor Forest Management Group</a>	33.8	Fort St. John Pilot Project	CSA	1,505,841		
<a href="#">BC Timber Sales</a>	29.41	Peace-Laird BA - Fort St. John Pilot Project	CSA	1,247,003		
<a href="#">Fort St. John Pilot Project</a>	28.85	Fort St. John Pilot Project	CSA	981,061		Aside from Canfor and BCTS (Reported Separately), includes Tembec, LP, and Cameron River Logging
Non-Certified	7.94	N/A	N/A	0		



**Mackenzie TSA**

COMPANY ⓘ	SHARE ⓘ	DIVISION ⓘ	STANDARD ⓘ	CERT. AREA ⓘ	CERT. REPORT ⓘ	COMMENTS ⓘ
<a href="#">Canfor Corporation &amp; Canfor Forest Management Group</a>	24.06	British Columbia	CSA	13,411,992		Reflects entire Canfor Corporation & Canfor Forest Management Group BC Division
<a href="#">BC Timber Sales</a>	20	Prince George Business Area - PG, Mackenzie, Robson Valley TSA, TFL-30, 53	SFI	1,827,213		Reflects Entire BCTS Prince George Business Area Division
<a href="#">Conifex Timber Inc.</a>	20.72	Fort St. James	SFI	1,068,061		Reflects Entire Conifex Fort St. James Division
Non-Certified	35.21	N/A	N/A	0		

**Grande Prairie FMA**

Forest Management Agreement (FMA) Holder	FMA number	Total Area (ha) <sup>1</sup>	Area available for harvest (ha) and included in the AAC <sup>1</sup>	Percentage of area available for harvest and included in the AAC
Alpac Forest Products Incorporated (Boyle)	FMA9100029	7,265,157	2,213,233	30%
ANC Timber Ltd. (Whitecourt)	FMA8900026	379,054	229,992	61%
Blue Ridge Lumber Inc. (Whitecourt)	FMA7500020	668,140	463,484	69%
Canadian Forest Products Ltd. (Grande Prairie)	FMA9900037	660,354	486,730	74%
Daishowa-Marubeni International Ltd.-East (Peace River)	FMA0900044	1,755,352	875,094	50%
Daishowa-Marubeni International Ltd.-West (Peace River)	FMA0900045	969,725	597,927	62%
Gordon Buchanan Enterprises Ltd. and Tolko Industries Ltd. (High Prairie)	FMA0200039	247,777	168,229	68%
Manning Diversified Forest Products Ltd. (Manning)	FMA0200041	1,004,131	486,606	48%
Millar Western Forest Products Ltd. (Whitecourt)	FMA9700034	478,016	293,784	61%
West Fraser Mills Ltd. (Slave Lake)	FMA9000028	658,351	438,593	67%
Spray Lake Sawmills (1980) Ltd. (Cochrane)	FMA0100038	337,213	223,152	66%
West Fraser Mills Ltd. (Edson)	FMA9700032	268,089	174,656	65%
Sundre Forest Products Inc. (Sundre)	FMA9200030	587,327	380,485	65%
Tolko Industries Ltd. (High Prairie)	FMA9700033	415,106	204,974	49%
Tolko Industries Ltd., Footner Forest Products Ltd. and La Crete Sawmills Ltd. (High Level)	FMA0200040	3,574,553	1,779,504	50%
Tolko Industries Ltd., Vanderwell Contractors (1971) Ltd. and West Fraser Mills Ltd. (Slave Lake)	FMA0600043	725,074	417,410	58%
Vanderwell Contractors (1971) Ltd. (Slave Lake)	FMA9700036	55,961	5,099	9%
West Fraser Mills Ltd. (Hinton)	FMA8800025	1,022,231	650,163	56%
Weyerhaeuser Company Limited (Grande Prairie)	FMA6900016	1,178,389	862,141	73%
Weyerhaeuser Company Limited — Pembina Timberland (Edmonton)	FMA0900046	1,073,968	588,421	55%
<b>FMA Total</b>		<b>23,355,109</b>	<b>11,539,677</b>	<b>49%</b>



### 3 Requirement for a Supply Base Evaluation

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

Canfor Energy North has determined that an SBE is not required in order to commercialize SBP-compliant feedstock as the majority of the feedstock is sourced within the scope of the PEFC COC Certificate.

## 4 Supply Base Evaluation

### 4.1 Scope

n/a

### 4.2 Justification

n/a

### 4.3 Results of Risk Assessment

n/a

### 4.4 Results of Supplier Verification Programme

n/a

### 4.5 Conclusion

n/a

## 5 Supply Base Evaluation Process

n/a

## 6 Stakeholder Consultation

Although no SBE was produced, a consultation with stakeholders was conducted by Control Union on October 19, 2018 with a deadline to submit comments by November 19, 2018.

The process for stakeholder consultation consisted of sending direct email to different stakeholder categories: state institutions, local NGO's, authorities, government bodies, forest owners associations, academic and research institutions. No comments from the stakeholders were received.

### 6.1 Response to stakeholder comments

n/a

## 7 Overview of Initial Assessment of Risk

n/a

## 8 Supplier Verification Programme

### 8.1 Description of the Supplier Verification Programme

n/a

### 8.2 Site visits

n/a

### 8.3 Conclusions from the Supplier Verification Programme

n/a



## 9 Mitigation Measures

### 9.1 Mitigation measures

n/a

### 9.2 Monitoring and outcomes

n/a

## 10 Detailed Findings for Indicators

n/a

## 11 Review of Report

### 11.1 Peer review

CENLP's accountant completed a review of this Supply Base Report.

### 11.2 Public or additional reviews

No external/additional review was completed or warranted.

## 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	P.L. Carruthers, MF, RPF	Professional Forester	August 31, 2018
	<b>Name</b>	<b>Title</b>	<b>Date</b>
<p>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.</p>			
Report approved by:	M. Silver CPA, CGA	Divisional Accountant	Nov. 25 , 2018
	<b>Name</b>	<b>Title</b>	<b>Date</b>
Report approved by:	Franco Antoniazzi	General Manager Northern Operations	Nov. 25 , 2018
	<b>Name</b>	<b>Title</b>	<b>Date</b>

## 13 Updates

### 13.1 Significant changes in the Supply Base

No significant changes in the supply base.

### 13.2 Effectiveness of previous mitigation measures

n/a – no mitigation measures required.

### 13.3 New risk ratings and mitigation measures

n/a – no risk ratings or mitigation measures required.

### 13.4 Actual figures for feedstock over the previous 12 months (October 2017 – September 2018)

a. **Total volume of Feedstock:** 103,348 ODT's

b. **Total volume of primary feedstock:** 0 ODT's

c. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes.

a. Primary feedstock certified to an SBP-approved Forest Management Schemes – 0%

b. Primary feedstock not certified to an SBP-approved Forest Management Schemes – 0%

e. List all species in primary feedstock, including scientific name

- Lodgepole pine – *Pinus contorta*
- Hybrid white spruce – *Picea glauca x engelmannii*
- Engelmann Spruce – *Picea engelmannii*
- Black spruce – *Picea mariana*
- Sub-alpine fir (Balsam) – *Abies lasiocarpa*

de minimums

- Paper Birch – *Betula papyrifera*
- Trembling Aspen – *Populus tremuloides*
- Black Cottonwood – *Populus trichocarpa*

f. Volume of primary feedstock from primary forest – 0 ODT's

g. List percentage of primary feedstock from primary forest (i), by the following categories.

a. Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes – 0%. 93.8% of the secondary feedstock originates from lands certified to a SBP recognized FM scheme and was transferred on suppliers PEFC CoC certificates..

b. Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes – 0%. 6.2% of the secondary feedstock originates from uncertified forest lands and was transferred as PEFC-Controlled.

h. **Total volume of secondary feedstock:** 103,348 ODT's.

i. **Origin:** BC Interior

j. **Type:** Sawmill residuals (sawdust, bark, shavings, hog)

k. **Total Volume of tertiary feedstock:** 0%

l. **Origin:** n/a

## 13.5 Projected figures for feedstock over the next 12 months

(October 2018 – September 2019)

- a. **Total volume of Feedstock:** 115,000 ODT's
- b. **Total volume of primary feedstock:** 0 ODT's
- c. List percentage of primary feedstock (g), by the following categories.
- d. Primary feedstock certified to an SBP-approved Forest Management Schemes – 0%  
Primary feedstock not certified to an SBP-approved Forest Management Schemes – 0%
- e. List all species in primary feedstock, including scientific name
  - Lodgepole pine – *Pinus contorta*
  - Hybrid white spruce – *Picea glauca x engelmannii*
  - Engelmann Spruce – *Picea engelmannii*
  - Black spruce – *Picea mariana*
  - Sub-alpine fir (Balsam) – *Abies lasiocarpa*
- de minimus
  - Paper Birch – *Betula papyrifera*
  - Trembling Aspen – *Populus tremuloides*
  - Black Cottonwood – *Populus trichocarpa*
- f. Volume of primary feedstock from primary forest – 0 ODT's
- g. List percentage of primary feedstock from primary forest:
  - Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes – 0%. >90% secondary feedstock originates from forestlands certified to a SBP recognized FM scheme.
  - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes – <10% secondary feedstock originates from uncertified forestlands.
- h. **Total volume of secondary feedstock:** 115,000 ODT's
- i. **Origin:** BC
- j. **Type:** Sawmill residuals (sawdust, bark, shavings, hog)
- k. **Total Volume of tertiary feedstock:** 0 ODT's
- i. **Origin:** n/a