

Supply Base Report: Princeton Standard Pellet Corporation

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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

Document history

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1 Overview

Producer name: Princeton Standard Pellet Corporation

Producer location: 301 Old Hedley Rd, Princeton, BC V0X 1N0

Geographic position: 49°27'19.25" N -120°30'13.01" W

Primary contact: Richard White, General Manager
301 Hedley Road,
Princeton, BC, V0X 1W0
250-295-6940
richard@eagle-valley.ca

Company website: <http://www.eaglevalleyfuelpellets.com/>

Date report finalised: 15/Dec/2018

Close of last CB audit: 17/Dec/2018

Name of CB: NEPCon Certifying ApS

Translations from English: N/A

SBP Standard(s) used: Standard 2 version 1.0, Standard 4 version 1.0, Standard 5 version 1.0

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

SBP Endorsed Regional Risk Assessment: Not Applicable

Weblink to SBE on Company website: Not Applicable

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

2 Description of the Supply Base

2.1 General description

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

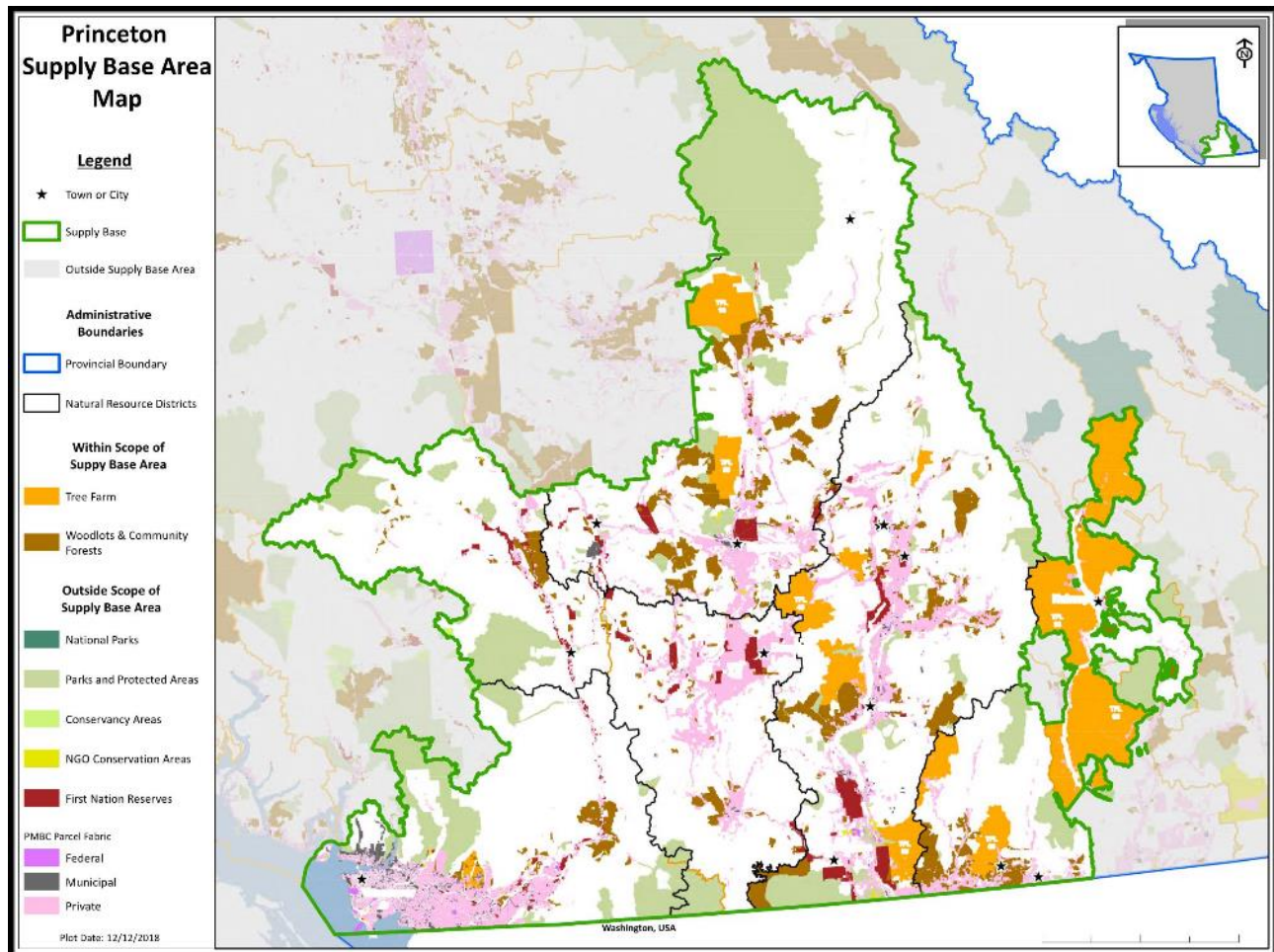
PSPC receives approximately 130,000 ODMT of raw material annually. The fibre received is then used in the pellet plant and in our baled shavings plant. Annual output of pellets is approximately 99,000MT. Pellets are produced for sales in two distinct markets and are used in our bio burners.

PSPC source fibre from a supply base area that includes public lands within South Central and Coastal BC. There is a minor component of feedstock sourced from private lands.

The following lists the geographic areas:

Forest Districts/TSA in BC	Forest Certification Programs
○ TSA: Merrit, Okanagan, Boundry, Lilloet, Kamloops, Fraser	CSA & SFI
○ Forest licence : A18698, A18969, A18970, A18686, A84658, A89985, A8998, A18698	CSA & SFI
○ Tree Farm Licence: #5, #8, #23, #33	CSA & SFI
○ Castlegar Woodlands, Arrow Lake	CSA & SFI

Supply Base Area – Princeton Standard Pellet Corporation



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

Suppliers for PSPC include sawmills (9) and reman facilities (2), all from Southern BC but one reman facility from Washington, USA.

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

Enforcement of natural resources legislation is supported by the Province's Compliance & Enforcement Agency, under the Ministry of Forests Lands and Natural Resource Operations and Rural Development (FLNRORD). In addition, the Provincial Forest Practices Board conducts independent audits and investigations.

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

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

2.2 Actions taken to promote certification amongst feedstock supplier

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

2.3 Final harvest sampling programme

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

2.4 Flow diagram of feedstock inputs showing feedstock type

See appendix

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): cumulative area of all forest types within SB – **9,887,225 ha**
- b. Tenure by type (ha): privately owned/public/community concession – **8,754,856 ha Crown, 178,724 ha Federal, 953,645 ha Private**
- c. Forest by type (ha): boreal/temperate/tropical **Temperate Conifer Forests (Interior) - 9,887,225 ha**
 - i. British Columbia mainland coastal forests
 - ii. Cascade Mountains leeward forests
 - iii. Fraser Plateau and Basin complex
 - iv. North Central Rockies forests
 - v. Okanagan dry forests
 - vi. Palouse grasslands

vii. Puget lowland forests

- d. Forest by management type (ha): **100% natural managed forests - 9,887,225 ha**
- e. Certified forest by scheme (ha): (e.g. hectares of FSC or PEFC-certified forest)

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

TSA – Crown Land

TSA	Certification	Certified Area of TSA
Arrow TSA	CSA and SFI	83.06
Okanagan TSA	CSA and SFI	80.04
Kamloops TSA	CSA and SFI	59.26
Merritt TSA	CSA and SFI	79.27
Lillooet TSA	CSA	78.57
Boundary TSA	SFI	91.52
Fraser TSA	CSA and SFI	44.18

TFL – Crown Land

TFL	Cert Category	Company 1	Company 2	Certified Area of TFL
TFL8	SFI	Interfor		100.00
TFL23	SFI	Interfor The Gorman		100.00
TFL33	CSA and SFI	Group of Companies	BC Timber Sales	100.00
TFL59	CSA and SFI	Weyerhaeuser Company Ltd.	BC Timber Sales	100.00

Feedstock

- f. Total volume of Feedstock: 130,000 ODMT
- g. Volume of primary feedstock: N/A
- h. List percentage of primary feedstock (g), N/A
- i. List all species in primary feedstock, including scientific name : N/A
- j. Volume of primary feedstock from primary forest – N/A
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - a. Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme – **0%**
 - b. Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – **0%**
- l. Volume of secondary feedstock: specify origin and type – **98% sawmill waste from the local area**

- m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. – **2%**

Bands for (f) and (g) are:

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

Bands for (h), (l) and (m) are:

1. 0%-19%
2. 20%-39%
3. 40%-59%
4. 60%-79%
5. 80%-100%

NB: Percentage values to be calculated as rounded-up integers.

3 Requirement for a Supply Base Evaluation

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

Not applicable as all material is secondary feedstock and considered as PEFC Controlled Sources or 100% PEFC Certified.

4 Supply Base Evaluation

4.1 Scope

N/A

4.2 Justification

N/A

4.3 Results of Risk Assessment

N/A

4.4 Results of Supplier Verification Programme

N/A

4.5 Conclusion

N/A

5 Supply Base Evaluation Process

N/A

6 Stakeholder Consultation

N/A

7 Overview of Initial Assessment of Risk

N/A

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

N/A

8.2 Site visits

N/A

8.3 Conclusions from the Supplier Verification Programme

N/A

9 Mitigation Measures

9.1 Mitigation measures

N/A

9.2 Monitoring and outcomes

N/A

10 Review of Report


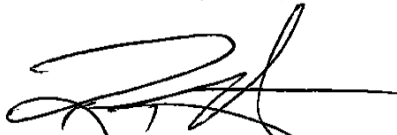
10.1 Peer review

A peer review was completed prior to the finalization of the SBR. The draft SBR, as well as the CoC Procedures, were reviewed to ensure the SBR was thorough and comprehensive. Recommendations were provided to add clarity to the SBR. Brenda Hopkin completed the External Peer Review. Brenda is an experienced independent natural resource professional, providing services in the areas of Certification (Forest Management and Chain of Custody) Auditing, Regulatory Compliance, Standards and Procedures Development and Implementation. She is a BC Registered Professional Forester but has worked in Alberta.

10.2 Public or additional reviews

N/A

11 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:		<i>INCOS Strategies</i>	<i>16-12-2018</i>
	Name <i>Nicolas Blanchette</i>	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:		<i>General Manager</i>	<i>16-12-2018</i>
	Name <i>Richard White</i>	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

12 Updates

N/A

12.1 Significant changes in the Supply Base

Provide a description of any significant changes to the supply base.

12.2 Effectiveness of previous mitigation measures

For each mitigation measure identified during the evaluation, give a detailed account of whether the measures were shown to be effective or not.

12.3 New risk ratings and mitigation measures

Provide an update of risk ratings for all relevant Indicators.

12.4 Actual figures for feedstock over the previous 12 months

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

Copy info from completed Section 2.5 – here

12.5 Projected figures for feedstock over the next 12 months

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

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

Bands are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³

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

Appendix

Flow Diagram

