



SCS Global Services Evaluation of Northern Fibre Terminal, Inc. Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

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

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Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Compilation of data on Greenhouse Gas emissions
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification recommendation

1 Overview

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Current report completion date: 31/Mar/2021

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Name of the Company: Northern Fibre Terminal, Inc.

Company contact for SBP: Breck Stuart, 902-880-6725; breck@gnti.ca

Certified Supply Base: New Brunswick, Nova Scotia, and Prince Edward Island, Canada

SBP Certificate Code: SBP-04-45

Date of certificate issue: 17/Sep/2019

Date of certificate expiry: 16/Sep/2024

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

This certificate covers the production, loading, and trade of wood chips at the mill and port facility located in Sheet Harbour, Nova Scotia. It also covers a Supply Base Evaluation for the sourcing of feedstock from the following Canadian Provinces/Territories: Nova Scotia, New Brunswick, and Prince Edward Island. The scope includes communication of Dynamic Batch Sustainability Data.

The scope of the evaluation included the first surveillance, specifically an evaluation of the BP's continued conformance to applicable SBP requirements as elaborated in the content of this report below.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer’s management system is capable of ensuring that all requirements of specified SBP Standards are implemented over scope of certification.

If applicable, the following *pre-audit activities* were conducted: N/A pre-assessment; site visits

The following Critical Control Points (CCPs) were identified and evaluated (edit list as appropriate and describe how the organization controls each point and how it was evaluated). Note that you may identify other CCPs for a particular client which you should also describe in the report:

CCP	Description, including how evaluated by SCS
Processes for procurement and processing, transport and storage	<p>The following was confirmed via document review, interviews with staff, and inspection:</p> <ul style="list-style-type: none"> • Supplier evaluation under BP’s procurement procedures (e.g., DDS, FSC Controlled Wood Risk Assessment/SBE); • Field assessment of a sample of primary suppliers; • Review of supplier documentation (e.g., contracts, declarations, load tickets, etc.) • Delivery, storage, and processing of logs into chips; • Delivery, filtering, and storage of secondary chips; • Phytosanitary practices for mixed chips and maple chips; and • Filtering and storage of chips prior to conveying onto ships.
Volume accounting method	<p>The following was confirmed via document review, interviews with staff, and inspection:</p> <ul style="list-style-type: none"> • BP uses the FSC/PEFC Credit Systems; however, BP also sources using its SBE; • Logs and chips are weighed at the scale-house located at the chip mill entrance; and • Conversion factors based on historic production records incorporated into the FSC/PEFC credit accounts.
Documentation of transactions	<p>The following was confirmed via document review, interviews with staff, and inspection:</p> <ul style="list-style-type: none"> • DTS and invoices are used; and • BP also prepares annual volume summaries for its FSC certificate and similar records for its PEFC certificate.
Energy data collection and reporting	<p>The following was confirmed via document review, interviews with staff, and inspection:</p> <ul style="list-style-type: none"> • BP has completed a SAR addressing ST 5 and ID5E; • Data is collected in a series of spreadsheets for calculations; and • GHG emission control points described in the SAR were verified, such as electric metres and other points where GHG measurements are taken.

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

- Name of SBP-endorsed Regional Risk Assessment:
- N/A, no SBP-endorsed Regional Risk Assessment.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Per the BP's Supply Base Report (SBR): *Northern Fibre Terminal Inc. (NFTI) produces industrial wood chips for export on the global market. The Sheet Harbour, Nova Scotia chip plant was commissioned in 1998. Over the past two decades it has become a vital link in the overall forest products supply chain utilizing low grade hardwood pulp that could not be utilized in other productive and economical ways within the province of Nova Scotia.*

The organisation is a legal entity located in: Nova Scotia, Canada.

The following descriptions and activities apply to the organisation:

Biomass activity	Feedstock sourced <input type="checkbox"/> NA, trader only	Feedstock claims* <input type="checkbox"/> NA, trader only	Relationship to other SBP-certified biomass producers/traders
<input type="checkbox"/> Pellet producer & trader <input checked="" type="checkbox"/> Stationary/ <input type="checkbox"/> Mobile Woodchip producer & trader <input type="checkbox"/> Pellet trader <input type="checkbox"/> Woodchip trader	<input checked="" type="checkbox"/> Primary <input checked="" type="checkbox"/> Secondary <input type="checkbox"/> Pre/ <input type="checkbox"/> Post-consumer tertiary	<input checked="" type="checkbox"/> FSC 100%/Mix Credit <input checked="" type="checkbox"/> FSC Controlled Wood <input checked="" type="checkbox"/> FSC Mix x% <input checked="" type="checkbox"/> 100% PEFC ¹ /Volume Credit <input checked="" type="checkbox"/> SFI <input type="checkbox"/> ATFS <input checked="" type="checkbox"/> Other: PEFC Controlled Sources	<input type="checkbox"/> NA, not linked via ownership and/or agreement to other SBP-certified entities; or <input checked="" type="checkbox"/> Organisation is linked to other SBP-certified entities via ownership or agreement: Great Northern Timber International Ltd.

*This refers to feedstock claims that the BP may receive per the scope of its Chain of Custody (COC) certificate(s) and not necessarily to claims actually received during the audit period. Equivalents to FSC Controlled Wood or PEFC Controlled Sources must also qualify per an SBE and/or RRA to qualify as SBP-compliant feedstock. See section 5.4 for more details.

Feedstock is sourced from the following regions by administrative unit:Country(ies)	Canada
States/Provinces/Territories	New Brunswick, Nova Scotia, and Prince Edward Island
Number of counties sourced from in case only a portion of an administrative unit is in the SB	<input checked="" type="checkbox"/> N/A – entire administrative unit is in the SB

¹PEFC recognizes SFI Forest Management, American Tree Farm Standard (ATFS), and CAN/CSA Z809 SFM as 100% PEFC in North America. Other duly recognized standards may be found here: <https://www.pefc.org/> (e.g., CERFLOR Brazil, CERFOAR Argentina, CertforChile, PEFC Estonia, PEFC Latvia, PEFC Lithuania, PEFC Uruguay, Responsible Wood Australia, New Zealand NZFCA, etc.).

5.2 Description of Company's Supply Base

Brief description of the Supply Base within the regional context

Per the BP's Supply Base Report:

Harvest levels in Nova Scotia are approximately 3.5 million cubic meters ([NS State of the Forest Report, 2016](#)) and Northern Fibre Terminal procure less than 200 000 MT per year.

Between 0-19% of procured roundwood is SBP compliant primary feedstock. The rest of the feedstock is SBP compliant through the implementation of the Supply Base Evaluation (SBE).

Nova Scotia

Nova Scotia is dominated by trees. Over 75% of the province's 5,5 million hectares (ha) are dominated by treed vegetation. These 4.2 million ha of forested lands also include areas that are returning to a young forested state after harvesting. There is no sign of permanent net forest conversion by agriculture, urbanization or other development². Situated on the south-eastern coast of Canada, Nova Scotia's forests contain 35% hardwood species and 65% softwood species. Part of the Acadian Forest Region, common species include spruce, balsam fir, white pine, maple and birch. Fifty-three (53%) percent of the forest land in Nova Scotia is privately owned and forty-seven (47%) is owned by the provincial or federal government³.

On public lands, the Nova Scotia Department of Natural Resources (DNR) provides authority to harvest from provincial (Crown) lands under two acts:

- [Crown Lands Act](#), and
- [Scott Maritimes Limited Agreement \(1965\) Act](#).

New Brunswick

New Brunswick is located on the east coast and is the largest of the three Maritime Provinces. The Acadian Forest covers most of the province. In New Brunswick, forests cover more than 6 million ha of the province's 7 million ha of land. That represents 83% of the province's total area⁴. Of this, 2% is under the jurisdiction of various federal government departments (Parks Canada, Department of National Defense, etc). The provincial government is responsible for 48%, which is typically referred to as Crown Lands. The remaining 50% is privately owned. Of the half of the province that is in private hands, 20% is owned by industry firms (Industrial Freehold) and the remaining 30% is owned by non-industrial private owners⁵.

The Crown Lands and Forests Act is the legal foundation of Crown forest management in New Brunswick. It was proclaimed in 1982 and is administered by the Department of Energy and Resource Development (ERD). The Act divides the province's Crown land into 10 timber licenses (forest management units). Crown timber licenses are granted through a 25-year forest management agreement to forest companies called licensees. The New Brunswick government sets management goals and objectives and Licensees are evaluated on their performance by ERD and third-party auditors. Each license has an assigned number of sub-licensees' mills who have been allocated annual volumes of Crown timber products. Operational standards, policies and guidelines for forest management on Crown Lands are established by the provincial government. Crown land forest operations are monitored and periodically assessed by ERD

² https://novascotia.ca/natr/forestry/reports/State_of_the_Forest_2016.pdf

³ https://www.sfmcanada.org/images/Publications/EN/Nova_Scotia_info_Provinces_and_territories_EN.pdf

⁴ Source : https://www2.gnb.ca/content/dam/gnb/Departments/nr-nr/pdf/en/ForestsCrownLands/GNBForestryBrochure_EN.pdf

⁵ Source : <https://www2.gnb.ca/content/dam/gnb/Departments/nr-nr/pdf/en/ForestsCrownLands/2011SnapshotOfNB-NonIndustrialForestOwners.pdf>

under the Results-Based Forestry system. ERD also evaluates Licensees' forest management performance at five-year intervals.

Private land in New Brunswick falls into 2 categories:

- Industrial Freehold, which is private land owned by forest companies; and
- Private Woodlots.

Industrial freehold is managed on a commercial scale and most companies have their lands certified to the SFI standard.

Private woodlots in New Brunswick are held by more than 40,000 separate owners. They are free to manage their woodlots as they deem appropriate and must conform to the Clean Water Act. The Forest Products Act established the Forest Products Commission and governs the powers, duties and activities of the Commission including the oversight and general supervision of the Forest Products Marketing Boards. There are seven Forest Products Marketing Boards in the Province that offer services to private woodlot owners. The underlying objective of both the Forest Products Act and the Natural Products Act (with respect to farm products of the forest) is the control and regulation of primary forest products coming from private woodlots in New Brunswick.

All timber that is transported within New Brunswick, whether from Crown Lands or private lands, requires a Transportation Certificate (TC). Under legislation, Crown and private woodlot TC's are subject to audits by ERD and the New Brunswick Forest Products Commission. The Commission is an independent body that oversees the marketing relationship involving the forest industries, Forest Product Marketing Boards and the provincial government.

Under the Crown Lands and Forests Act, all wood processing facilities (mills) in New Brunswick must report to ERD the volume and source of their wood supply (including Crown wood, private wood, and imports to New Brunswick). In this way, all Roundwood and biomass harvested and consumed by New Brunswick mills is tracked.

New Brunswick requires that Crown Lands managed by Timber Licensees are certified. At present, all Crown lands managed by Licensees are certified under SFI. Industrial freehold lands controlled or harvested by the licensees are also certified under SFI. In total, 4.2 million ha are certified to the SFI standard in New Brunswick.

Prince Edward Island

Located on the east coast of Canada in the Gulf of St Lawrence, Prince Edward Island (PEI) is Canada's smallest province, with a total area of 568,600 ha. PEI has 250,084 ha of forest land, of which 33,011 ha (13.2%) is public lands and 217,073 ha (86.8%) is private⁶.

PEI's forest belongs to the Acadian Forest region of Canada. The most common coniferous species are black spruce, white spruce, balsam fir and eastern larch with a lesser amount of white pine. The primary deciduous species are red maple, trembling aspen and white birch with sugar maple, red oak, beech, white ash and yellow birch accounting for the remainder.

Only 13% of PEI's forest is publicly owned. The [Forest Management Act](#) provides authority for the management and harvest of public lands. The province does not allocate long term timber rights for public lands. Instead, all forest products are offered for sale by public tender. The winning bidder only acquires the rights to the stumpage for the specified site and all property rights and ownership remains with the Province. Harvest activity on public lands accounts for a small percentage of the Island's overall softwood and hardwood harvest. During the period 2001-2010, the area harvested on public lands averaged about 100 ha/year or less.

⁶ Source : https://www.sfmcanada.org/images/Publications/EN/PEI_info_Provinces_and_territories_EN.pdf
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Public Summary Report, First Surveillance Audit

The Forest Management Act provides authority for the management and harvest of public land forests. Forest management plans are prepared for all public lands and posted for public comment. These plans must meet the standards of the Ecosystem-based Forest Management Standards Manual. The province does not allocate long term timber rights for public lands, but it will enter into co-management agreements with groups and organizations that share a commitment to forest stewardship and who can implement work in compliance with the required standards in the Ecosystem-based Forest Management Standards Manual.

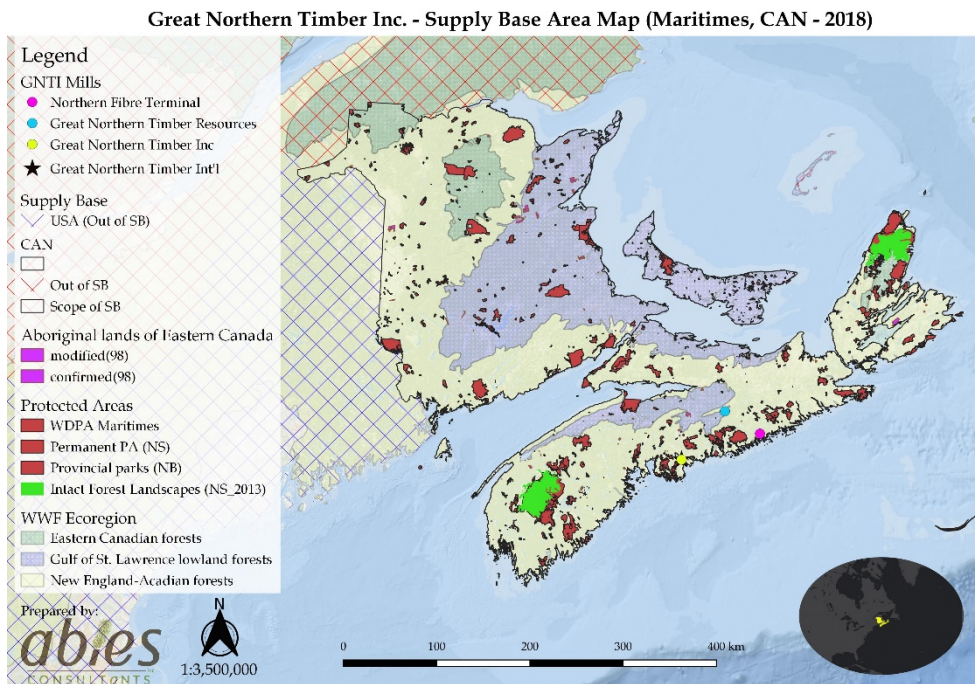
PEI's Registry Act ensures that private land owners and the province are able to obtain a guaranteed title to a property. Under the Lands Protection Act, no individual may own more than 400 ha of land on PEI. Corporations are limited to 1,200 ha in total. Management and harvesting rights belong to the property owner, but the province does provide forest stewardship assistance and advice to interested land owners.

Private Lands

Most of PEI's forest (87%) is privately-owned by small woodlot owners and farmers. Management and harvest decisions are the right and responsibility of the owner. The province will provide technical advice and assistance to private land owners who are interested in forest stewardship and who practice forestry in compliance standards of the Ecosystem-based Forest management Manual.

Under the 2006 Forest Policy, the province made a commitment to implement various forest certification systems. The Province has achieved certification under the FSC system for several public properties comprising 170 ha in the south eastern part of the island. There are also currently 446 ha of privately-owned forest land certified under the FSC system on PEI.

Figure 2. Great Northern Timber – Supply Base Area.



The entire supply base is covered by the Supply Base Evaluation (SBE). This means that the tree stumps are all located within the scope of the SBE, and all indicators of the SBE are low-risk. Therefore, 100% of the feedstock is SBP Compliant feedstock. Since the plant re-opened on May 22, 2018, 96.6% of the feedstock is composed of Spruce and fir (softwood). 3.6% of the feedstock was poplar pulpwood, and 0.2% was larch pulpwood. Furthermore, 81% of the feedstock is composed of sawmill residues (a mix of spruce and balsam fir), (69% is secondary feedstock, and 12% is pre-consumer tertiary feedstock).

A more detailed description is available in the BP's SBR.

Description of how the producer sources feedstock

A detailed description of how the BP sources feedstock is available in the SBR; an excerpt is below and more information is also include in the excerpt from the SBR in the previous section:

There are four forms of authority used in the Crown Lands Act, a letter of authority, a permit, a licence and a forest utilization licence agreement. The first two are often used for small sales. The latter are used with mill operators and producers of goods that may be exported. Great Northern Timber Inc (GNTI) have a licence to manage Crown Land in Nova Scotia. GNTI is under common ownership of NFTI and are a supplier of roundwood to the chip plant.

Registry of buyers.

The Department of Natural Resources has been operating the Registry of Buyers since 1998, which is intended to provide the forest use and management information required now and in the future. In addition to providing forest harvest information, the Registry serves as the focal point or link among the various initiatives that are part of the broader forest management process. The Registry of Buyers is a registry of individuals and businesses who acquire primary forest products for processing into secondary products, export, sale as firewood, or production of energy. The information compiled through the Registry is used by the Department of Natural Resources to understand regional primary forest product demand and supply, estimate and monitor sustainable harvest levels, determine long-term resource management needs, and identify forest product and value-added development opportunities.⁷

Wood Acquisition Plan

The Forest Sustainability Regulations require all Registered Buyers acquiring greater than 5000 m³ (2270 cords) from private and industrial lands in Nova Scotia to undertake a silviculture program or pay into the Sustainable Forestry Fund. In each year Registered Buyers must submit a Wood Acquisition Plan which describes how they will meet their silviculture obligations required by the Regulations.⁸

Crown harvest block approval process

There are four main steps in the review of proposed harvest areas on Crown lands.

Step 1. The Crown land Licensee develops proposed harvest areas and prescriptions based on Pre-Treatment Assessment (PTA) and the Forest Management Guides (FMG), subject to all requirements for operating on Crown lands. The Pre-Treatment Assessment (PTA) is an analysis of data that is collected on-site by a forest professional who is trained and certified to carry out PTAs. PTAs use typical forest measurement techniques in order to determine the most appropriate forest management treatment for each site. These measurements include identifying tree species, diameter, height, condition of the trees, and soil type. This data is applied through forest management guides (FMG) which are based on decades of forest research and are designed for various forest types.

Step 2. Department of Natural Resources (DNR) resource management professionals review every proposed harvest plan as part of the Integrated Resource Management (IRM) review process and determine if the plan is appropriate and meets all requirements for operating on Crown lands. The IRM team considers many things including (but not limited to): the provincial strategic forest management plan, property lines and land ownerships, adjacency to protected areas, wildlife habitat, geological information, known recreational activities, areas of significance to Mi'kmaq, and requirements for Special Management Practices (SMP).

Step 3. Each proposed harvest area on Crown land is posted on the Harvest Plan Map Viewer (HPMV), an interactive web viewer, that enables the public to view and comment on harvest plans. The viewer

⁷ Source : <https://novascotia.ca/natr/forestry/registry/annual/2018/Registry-of-Buyers-2017.pdf>

⁸ Source : <https://novascotia.ca/natr/forestry/registry/woodacq.asp>

contains tools that enable the user to send comments or a request for a PTA for specific harvest areas. If you send a comment you will receive a notification that your comment has been received. All comments go to the appropriate Crown land licensee with a copy to DNR staff. Responses will normally be provided within 10 days and will normally come from the Licensee. Each harvest plan on the HPMV also includes a closing date for public comments, which is 40 days after the harvest site is first posted. Harvest plans that are new to the map, open or closed for comments, the area of the proposed plan, as well as the planned harvest method and prescription are all identified on the HPMV. Maps on the HPMV will be updated on an approximately ten-day cycle.

Step 4. Crown Land Licensees are notified if the proposed harvest plans are approved or if changes are required following the public comment period and an evaluation by DNR senior management.⁹

As of 2016, five forest industry manufacturers and three woodlot owners' organizations held third-party sustainable forest management certification on 1.3 million ha of land in Nova Scotia. These forests were certified to one of the three certification systems: the Canadian Standards Association (CSA), the Forest Stewardship Council® (FSC®) and the Sustainable Forestry Initiative® (SFI®). (Source: https://www.sfmcanada.org/images/Publications/EN/Nova_Scotia_info_Provinces_and_territories_EN.pdf)

Refer to the BP's SBR for more information. The BP mainly sources roundwood and in-woods chips from Crown Lands and private woodlots. Other sources of woodchips may include certified residuals from mills located within the supply base.

General description of the forest resources and forest management practices within the Supply Base

Land use: Per review of the BP's SBR, the Supply Base is within the Acadian Forest Region. This region consists of a mix of land uses, including managed and unmanaged forest, agricultural land, and urban/human settlements. More information on land use in Canada can be found through McGill University (<https://www.mcgill.ca/library/find/maps/landuse>), GeoNB (<http://www.snb.ca/geonb1/e/index-E.asp>), GeoNOVA (<https://geonova.novascotia.ca>), and the Government of Prince Edward Island (<https://www.princeedwardisland.ca/en/topic/land-use>).

Ownership status: As mentioned in the BP's SBR, forestland ownership consists mostly of freehold (i.e., privately owned/managed) and crown (i.e., publicly owned/managed) in Canada. There are several resources on land ownership available online, such as the New Brunswick land registry (<https://www2.snb.ca/content/snb/en/sites/land-registry.html>), Nova Scotia land registry (<https://novascotia.ca/sns/access/land/land-services-information/land-registry.asp>), and Prince Edward Island register of deeds (<https://www.princeedwardisland.ca/en/information/finance/registrar-deeds>).

Socioeconomic conditions: The supply base can be described as rural overall, but with small towns and cities scattered throughout. While mining, forest products, and agriculture are important, the service-related occupations are dominant, contributing over 70% of provincial GDP for the supply base ([Statistics Canada](#), viewed 21 July 2020).

Forest Composition: A complete list of genera used at the woodchip mill is included in the SBR (e.g., *Acer* spp. (Maple), *Quercus* spp. (Oak), *Betula* spp. (Birch), *Fraxinus* spp. (Ash), *Populus* spp. (Poplar), and *Fagus* (Beech). Several tree species occur in the supply base (*Abies balsamea* - Balsam Fir; *Picea rubens* - Red Spruce; *Picea glauca* - White Spruce; *Picea mariana* - Black Spruce; *Picea abies* - Norway Spruce; *Pinus banksiana* - Jack Pine; *Pinus strobus* - White Pine; *Pinus resinosa* - Red Pine; *Larix laricina* - Tamarack; *Tsuga canadensis* - Hemlock; *Thuja occidentalis* - Eastern White Cedar; *Acer saccharum* - Sugar Maple; *Acer rubrum* - Red Maple; *Acer pensylvanicum* - Striped Maple; *Betula alleghaniensis* -

⁹ Source : <https://novascotia.ca/natr/forestry/fibre-allocation/>
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Public Summary Report, First Surveillance Audit

Yellow Birch; *Betula papyrifera* - White Birch; *Betula populifolia* – Grey Birch; *Fagus grandifolia* – Beech; *Quercus rubra* - Red Oak; *Quercus macrocarpa* - Bur Oak; *Populus tremuloides* – Trembling Aspen; *Populus balsamifera* – Balsam Poplar; *Populus grandidentata* – Large Tooth Aspen; and *Ostrya virginiana* – Ironwood).

According to the [Loo and Ives](#) (2003; *The Forestry Chronicle*; viewed 21 July 2020), “The Acadian Forest Region comprises the three Maritime Provinces of Canada, each of which has a distinct history resulting in different patterns of land ownership, land use, and impacts on the forest. The region encompasses a high degree of physiographic and biological diversity, being situated where the warm, moist influence of the Gulf Stream from the south collides with the cold Labrador Current and the boreal forest gradually gives way to mostly deciduous forest. Natural forest types in the Acadian Forest Region include rich tolerant hardwood, similar to the deciduous forests to the south; spruce-fir forest, similar to boreal forest to the north; and an array of coniferous, deciduous, and mixed intermediate types.”

Profile of adjacent lands: Per review of the BP’s SBR, the Supply Base is within the Acadian Forest Region. This region consists of a mix of land uses, including managed and unmanaged forest, agricultural land, and urban/human settlements. More information on land use in Canada can be found through McGill University (<https://www.mcgill.ca/library/find/maps/landuse>), GeoNB (<http://www.snb.ca/geonb1/e/index-E.asp>), GeoNOVA (<https://geonova.novascotia.ca>), and the Government of Prince Edward Island (<https://www.princeedwardisland.ca/en/topic/land-use>). As mentioned in the BP’s SBR, forestland ownership consists mostly of freehold (i.e., privately owned/managed) and crown (i.e., publicly owned/managed) in Canada. There are several resources on land ownership available online, such as the New Brunswick land registry (<https://www2.snb.ca/content/snb/en/sites/land-registry.html>), Nova Scotia land registry (<https://novascotia.ca/sns/access/land/land-services-information/land-registry.asp>), and Prince Edward Island register of deeds (<https://www.princeedwardisland.ca/en/information/finance/registrar-deeds>).

Link to BP’s Supply Base Report (SBR)

All SBRs can be found on the SBP certificate database: <https://sbp-cert.org/certificate-holders/northern-fibre-terminal-inc-sbp-04-45/>; and

On the BP’s webpage: <https://www.greatnortherntimber.com/>

5.3 Detailed description of Supply Base

A quantitative description of the Supply Base can be found in the organisation’s Supply Base Report (SBR) file located on its entry page of the SBP Certificate Database. The following are summary statistics from the SBR:

Supply Base

a. *Total Supply Base area (ha): cumulative area of all forest types within SB*

See table below.

b. *Tenure by type (ha): privately owned/public/community concession*

See table below.

c. *Forest by type (ha): boreal/temperate/tropical*

See table below.

d. *Forest by management type (ha): plantation/managed natural/natural*

See table below.

e. *Certified forest by scheme (ha): (e.g. hectares of FSC or PEFC-certified forest)*

See table below.

	Supply Base Area (ha)		Tenure by Type (ha)			Certified forest by scheme (ha)		
	TOTAL	Forest	Private	Public	Forest type	Management type	FSC	SFI
NS	5 527 360	4 275 000	2 281 000	1 994 000	Acadian	Natural	598 457	1 172 319
NB	7 100 000	6 100 000	2 900 000	3 200 000	Acadian	Natural	0	4 200 000
PEI	568 600	250 084	217 073	33 011	Acadian	Natural	616	0
TOTAL	13 195 960	10 625 084	5 398 073	5 227 011			599 073	5 372 319

Feedstock

f. Total volume of Feedstock: tonnes or m³ - volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided*

0 to 200,000 GMT; disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.

g. Volume of primary feedstock: tonnes or m³ - volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided*

0 to 200,000 GMT; disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.

h. List percentage of primary feedstock (g), by the following categories. - percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. Subdivide by SBP-approved Forest Management Schemes:

- Certified to an SBP-approved Forest Management Scheme:

0-19% Certified to an SBP-approved Forest Management Scheme (FSC® forest management)

- Not certified to an SBP-approved Forest Management Scheme:

80-100% Not certified to an SBP-approved Forest Management Scheme

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

- **Acer spp. (Maple)**
- **Quercus spp. (Oak)**
- **Betula spp. (Birch)**
- **Fraxinus spp. (White Ash)**
- **Populus spp. (Poplar)**
- **Fagus (Beech)**

j. Volume of primary feedstock from primary forest

100,000 to 200,000 GMT; disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.

k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme

0-19 % Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme

- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme

80-100 % Primary feedstock from primary forest not certified to an SBP-approved Forest

Management Scheme

l. Volume of secondary feedstock: specify origin and type - 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.*

0-19%; disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.

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.*

N/A

* *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 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.

5.4 Chain of Custody system

As applicable, all material is subject to the organization's COC procedures for sourcing certified and non-certified material. The organization sources material from certified sources under its valid COC certificate(s) per the following systems: FSC PEFC and/or SFI.

As applicable, any non-certified sources have been evaluated under the BP's COC Due Diligence System (DDS) or Controlled Wood procedures, as well as an SBE and/or duly approved Regional Risk Assessment.

6 Evaluation process

6.1 Timing of evaluation activities

Auditor name:	Kyle Meister	Auditor role:	Lead auditor
Auditor name:	Hervé Bescond	Auditor role:	Technical expert

Supplier audits	Primary supplier FMUs visited: 8 Secondary/Tertiary supplier interviews: 1
<i>Supplier sampling is determined using SBP sampling formulas described or cited in SBP Standard 3. Audit teams ensure to sample across the variety of forest ecosystems and/or feedstocks from which the organization sources, including by selecting different land ownership/management (e.g., small, public, private, etc.), harvesting types (thinning, final harvest), and feedstock type (primary, secondary, tertiary, hardwood, softwood, etc.).</i>	

A. Number of days spent used in evaluation:	3
B. Number of auditors participating in evaluation:	1
C. Number of days spent by any technical experts (in addition to amount in line A):	1
D. Additional days spent on preparation, stakeholder consultation, and follow-up:	0
E. Total number of person days used in evaluation (A * B + C + D):	4

Site Name or Location:	Northern Fibre Terminal, Inc.	
Date and Time of Audit:	14 July 2020: opening meeting, review of audit scopes, initial document/interview requests, selection of ICT, and remote inspection. 18 Dec. 2020 (10:30am AST): review of audit scopes, any remaining interview/document reviews, and closing meeting for SAR 29 March 2021: onsite audit 31 March 2021: final closing meeting	
Audit Activity	Items to Review / Actions	Approx. Time
Opening meeting	Introductions, auditor review of audit scope, audit plan and intro/update to SBP, FSC, and SCS standards and protocols, client description of organization	60 min.
Review of previous nonconformities	Review of evidence of corrective actions taken by organization since previous audit (records, documents, pictures, etc.)	2.5 days
Review of CoC/SBP procedures, products and material accounting	Written procedures, work instructions, feedstock description, product group list, accounting system (transfer, percentage or credit; physical separation, percentage method)	
Review of material balances and records	Auditor-selected sample of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, outsourcing agreements, other applicable SBP/CoC systems, procedures and records, tracebacks from certified outputs to eligible inputs	
Verification of calculations	Auditor-selected sample and verification of calculations for conversion factors, percentage claims, and credit accounts, as applicable	
SBP ST 5, ID5E	Review of GHG data collection, including SAR, DTS, GHG data collection and interviews with relevant staff	
Evaluation of trademarks	Review of auditor-selected sample of SBP and/or SCS on-product and/or promotional trademark uses; review of any on-site trademark uses such as banners, posters, entryway signs	
SBR and SBE	Review of SBR and SBE supporting documentation	

Secondary Supplier Interviews (Conducted via Phone)	Secondary supplier interview – one supplier only	Approx. 15 minutes per call
Remote inspection of facility	Review of physical inputs and outputs, material receipt, processing, storage, credit account (if applicable), sale, and overall control	60 min.
Staff interviews	Interviews with appropriate number and diversity of staff to assess knowledge of CoC procedures related to their position; Interviews with HR/OAHS or EMS Personnel	Done as part of remote audit activities
Closing meeting preparation	Auditor takes time to consolidate notes and review audit findings for presentation at closing meeting	60 min.
Closing meeting and review of findings	Convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps	
Postponed On-Site Audit Requirements Primary Site Visits	29 March 2021: SBP STD1-Primary harvest sites; 8 tracts consisting of Crown land and private woodlots.	1 work day
Closing meeting and review of findings	31 March 2021: final closing meeting; convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps	20 min.
End		

6.2 Description of evaluation activities

Refer to the audit itinerary above. For all SBP evaluations, SCS collects evidence using a combination of direct observation, document and record review, and interviews with stakeholders and the organization's personnel & service providers. As reviewing all operations would be cost-prohibitive, SCS implements sampling techniques to ensure that all CCPs are assessed during evaluations. When relevant, other areas and locations are sampled during sequential audits to ensure that different aspects of the organization's control systems are evaluated. Refer to audit plan above for a description of the evaluation activities.

N/A, no pre-evaluation visits.

Results of any pre-evaluation visits:

6.3 Process for consultation with stakeholders

SCS relies on its Master Stakeholder List, which contains interested parties such as stakeholders and/or rightsholders that are identified by type (e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal, etc.) This list is categorized by country and state/province/territory at the very least, and for this consultation was filtered to omit any interested parties that were not geographically relevant to the certificate holder/applicant's supply base. A notification is sent out to all identified interested parties after the BP's consultation period has ended. Comments from interested parties that are received outside of regular consultation periods are fully considered. Methods used to communicate with interested parties may include, but are not limited to, public, private or semi-private meetings, email, telephone, written correspondence, and/or messaging application.

Consultation that may have been conducted by the BP during the audit period may be described in the BP's SBR. Sometimes, formal and informal consultation may not be documented in the BP's SBR due to confidentiality concerns of interested parties.

The following consultation activities occurred as a part of this audit:

Consultation has been conducted by SCS Global Services.

- Consultation has been conducted by SCS Global Services, but interested parties did not respond to any communications and/or did not provide permission to include comments in the report.
- No consultation has been conducted by SCS Global Services.

7 Results

7.1 Main strengths and weaknesses

Strengths	Weaknesses
The BP updates the SBE regularly based on new publications and guidance documents from certification scheme owners, governmental agencies, and ENGOs. Methods for collecting and calculating greenhouse gas data ensure thorough reporting to customers.	Refer to section 10.

7.2 Rigour of Supply Base Evaluation

NA, no Supply Base Evaluation conducted.

Is the current definition of scope adequate for the specific characteristics of the Supply Base and management systems in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are the means of verification and evidence provided enough to support the risk conclusion?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are mitigation measures implemented for specified risk sufficient and adequate?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA, no mitigation measures necessary
Are the personnel involved in the development of the Supply Base Evaluation (SBE) knowledgeable in the required fields?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>Refer to Section 10 for any deficiencies noted in the SBE.</i>	

7.3 Collection and Communication of Data

The BP maintains records of feedstock supply, power and fuel usage, moisture content, and transport distances and vehicles, which have been compiled into a series of Excel files for monitoring and GHG calculations. The results have been reported in the SAR.

7.4 Competency of involved personnel

The BP used a staff person and a contractor to prepare the SBE. The staff person has a background in forestry and forest engineering, as well as work experience in the forest products and oil & gas sectors. The contractor is an experienced forester with a background in certification and ISO auditing. Thus, the team is well-qualified to conduct the SBE and GHG calculations.

7.5 Stakeholder feedback

No stakeholder comments were received before, during or after the evaluation.

The following comments were received as described in the table below:

Stakeholder Comment	SCS Response

7.6 Preconditions

- No preconditions were issued.
- Preconditions were issued, all of which the organization closed as described in the Major NCRs noted in Section 10.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

N/A, no SBE conducted.

Refer to SBE risk ratings below. SCS assessed risk for the Indicators by evaluating MOV and evidence cited in the SBE, and interviews with relevant staff and a sample of suppliers.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Specified	Specified
2.1.3	Specified	Specified
2.2.1	Specified	Specified
2.2.2	Specified	Specified
2.2.3	Specified	Specified
2.2.4	Specified	Specified
2.2.5	Specified	Specified
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

- N/A, no mitigation measures.
- The organization implements the following mitigation measures

Mitigation measure for the specified risk associated with conversion of forests to non-forest land use consists of avoiding purchasing wood from areas being converted to production plantations or non-forest land use. This mitigation measure is implemented by the signing of contracts with suppliers stating that conversion is to be avoided and through the implementation of the Wood supplier audit program.

Furthermore, for all Specified Risk indicators, supplier audits are implemented as mitigation measures. The supplier audit program is implemented as part of the DDS.

Finally, mitigation measures include signed contracts with suppliers which include conditions for the avoidance of controversial sources of feedstock and specified risk areas within the supply base area.

Indicator	Mitigation measure	Monitoring
2.1.2	<p>FSC Canada have defined a number of control measures that can be implemented. GNTI are implementing two of the control measures:</p> <ul style="list-style-type: none"> • Evidence demonstrates that harvesting does not take place in critical habitats for Specified risk species identified within the CNRA • For all species on private Small Low Intensity Managed Forests (SLIMF), evidence demonstrates that owners and/or land managers of privately-owned forests are informed about: <ul style="list-style-type: none"> ○ The critical habitats of species within their managed forests; and ○ The threats to the critical habitat; and ○ Best management practices to reduce the threats to critical habitat; and ○ Applicable legislation. <p>GNT Report on the implementation of FSC control measures, including maps of identified High Conservation Values.</p>	<p>Signed contracts with each feedstock supplier.</p> <p>Information packages on species at risk provided to land owners and/or land managers that are harvesting within the Blanding's turtle critical habitat. Disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.</p> <p>Annual completion of 10-20 Wood Supplier Audit checklists. Disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.</p>
2.1.3	<p>Mitigation measure for the specified risk associated with conversion of forests to non-forest land use consists of avoiding purchasing wood from areas being converted to production plantations or non-forest land use. This mitigation measure is implemented by the signing of contracts with suppliers stating that conversion is to be avoided and through the implementation of the Wood supplier audit program.</p>	<p>Map of specified risk area associated with conversion to non-forest land use.</p> <p>Signed contracts with each feedstock supplier.</p> <p>Annual completion of 10-20 Wood Supplier Audit checklists. Disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.</p>
2.2.1	<p>Wood supplier audit program</p>	<p>Annual completion of 10-20 Wood Supplier Audit checklists. Disclosure of the exact figure would reveal</p>

		commercially sensitive information that could be used by competitors to gain competitive advantage.
2.2.2	Wood supplier audit program	Annual completion of 10-20 Wood Supplier Audit checklists. Disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.
2.2.3	Wood supplier audit program	Annual completion of 10-20 Wood Supplier Audit checklists. Disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.
2.2.4	Wood supplier audit program	Annual completion of 10-20 Wood Supplier Audit checklists. Disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.
2.2.5	Wood supplier audit program	Annual completion of 10-20 Wood Supplier Audit checklists. Disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). *Please use as many copies of the table as needed. For each, give details to include at least the following:*

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

2019 findings

NC number 2019.1	NC Grading: Observation
Standard & Requirement:	SBP ST 1, 4.3
Description of Non-conformance and Related Evidence:	
While the main source of fibre is Nova Scotia, there is no contact information for 2 of the 3 Provincial DNRs (NB and PEI) and no educational institutions included as stakeholders. These are listed as examples in the indicator and thus not normative. Evidence: Stakeholder list	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	We have acquired no roundwood feedstock from either province; only mill residuals. Also, we currently interact with educational institutions as part of the discussions on ecological forestry on Crown Lands. We will consider updating the stakeholder list during the 5-year iteration of the SBE.
Findings for Evaluation of Evidence:	BP demonstrated communications records about its participation in the Crown Lands group. Review of feedstock records demonstrates that no roundwood has been sourced from NB and PEI.
NC Status:	Closed

NC number 2019.2	NC Grading: Minor
Standard & Requirement:	ST 1, 1.1.3
Description of Non-conformance and Related Evidence:	
The BP includes the feedstock profiles for both its certificates in the SBE. Bark is listed as a feedstock, but is not used in chip or pellet production; bark is only used as a fuel at the pellet mill. Thus, it is not a feedstock. Evidence: SBE, 1.1.3; observation of feedstock inputs at woodchip mill.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	The SBE has been corrected. Bark is defined as a biomass fuel.
Findings for Evaluation of Evidence:	Confirmed via review of 1.1.3 in updated SBE.
NC Status:	Closed

NC number 2019.3	NC Grading: Observation
Standard & Requirement:	ST 1, 2.8.1
Description of Non-conformance and Related Evidence:	
The BP does not cite its own Occupational Health & Safety program, which was verified onsite in documents and records (e.g., procedures, training records). Evidence: Procedures, training records, SBE	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The SBE has been updated to reflect the results of the FSC Canada NRA, which concluded low risk for this indicator.
Findings for Evaluation of Evidence:	Confirmed via review of the FSC Canada NRA. This indicator is low risk.
NC Status:	Closed

NC number 2019.4	NC Grading: Observation
Standard & Requirement:	ST 2, 9.5
Description of Non-conformance and Related Evidence:	
Per interviews and review of the SBE, the content of the SBE is shared between the BP and one of its sister companies, GNTI. However, the BP maintains two SBEs that contain essentially the same information. There are no rules in SBP that would prohibit a BP from making a single SBE for its portfolio of certificates. Evidence: SBE	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The two SBEs have been combined into a single SBE.
Findings for Evaluation of Evidence:	Confirmed via review of the updated SBE that both companies are addressed.
NC Status:	Closed

NC number 2019.5	NC Grading: Minor
Standard & Requirement:	ST 2, 19.2
Description of Non-conformance and Related Evidence:	
The SBR has been signed by most members of senior management, but the BP is still waiting for other management to review and sign it. Evidence: SBR	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	The 2020 SBR has been signed by all applicable parties.
Findings for Evaluation of Evidence:	Confirmed via review of SBR that all signatures have been provided.
NC Status:	Closed

NC number 2019.6	NC Grading: Observation
Standard & Requirement:	ST 2, IN-2B 2.1; and ST 2, IN-2B 1.1
Description of Non-conformance and Related Evidence:	
Stakeholder comments received by SCS prior to and during the audit indicate a concern over some general forest policies and practices on Crown Lands and the impacts of the biomass industry on forests of all ownership types in the Supply Base. While these stakeholders have not engaged the BP, the BP indicated willingness to engage with different stakeholder groups on some key issues, including: • Additional available literature or research results to evaluate forest carbon storage in Nova Scotia (refer to	

ST 1, 2.2.9); •The Nova Scotia provincial Old Growth Policy applicable to Crown Lands; •Whole-tree harvest & transport to landing areas, and implications for woody debris retention practices on harvest sites; and •Variable Retention practices and trajectories given the current lack of consideration of future operations and silviculture. Evidence: SBE, SBR, stakeholder comments	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The new forest policies and practices on Crown Lands are an ongoing discussion. There are regular meetings, email communications, etc. about these subjects that we continue to monitor and participate in per the email records provided.
Findings for Evaluation of Evidence:	The BP provided evidence of email communications received for invitations to meetings/conferences and subsequent follow-up emails to thank participants, such as “Forest Management Guide Discussions” held on March 2 and 3, 2020 and “High Production Forestry Consultations” on March 25, 2020. The initial email invites contained publications from DNR for discussion during the meeting. Follow-up emails from DNR were sent on April 20 and May 22, 2020. Per interviews with BP staff and review of email records, multiple BP staff are involved in these consultations. The BP continues to participate in these discussions since the policies and practices are still in the process of field testing and refinement. This demonstrates that the BP regularly engages with provincial stakeholders on these issues.
NC Status:	Closed

NC number 2019.7	NC Grading: Observation
Standard & Requirement:	ST 5, ID 5A, 2.3.4
Description of Non-conformance and Related Evidence:	
The BP is both PEFC and FSC Chain of Custody certified; however, the BP only lists its FSC information in the SAR. While no material is currently procured with an SFI or PEFC claim, PEFC would have to be added to the SAR if any such material were acquired in the future. Evidence: SAR (Part 1 and SECTION A: Input Groups for Biomass Production, Roundwood or other feedstocks as appropriate)	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The new SAR template does not require the listing of COC certificates.
Findings for Evaluation of Evidence:	The new SAR template and ID5E do not require the listing of COC certificates. This information is also cited in the certification body’s public summary report. ID5A is no longer applicable.
NC Status:	Closed

2020 Desk Audit

NC number 2020.1	NC Grading: Minor
Standard & Requirement:	SBP-STD-2, clause 11.7
Description of Non-conformance and Related Evidence:	
The BP presented mitigation measures as justification for reaching a low risk designation in the initial risk assessment of the SBE. Mitigation measures are required for any indicator which is classified as specified risk, but the BP rated all indicators as low risk despite the use of mitigation measures. Several indicators (2.1.2, 2.1.3, 2.2.1, 2.2.2, 2.2.3, 2.2.4, and 2.2.5) indicate the implementation of mitigation measures which does not conform with the risk rating requirements of STD 2, section 11 and SBP’s normative	

interpretation "Supply Base Report Section 7". Finding is graded as minor because the mitigation measures are in place but the risk designation is incorrect. Evidence: Reviewed of the Supply Base Report dated 19-July-2019	
Timeline for Conformance:	Other 6 months
Evidence Provided by Company to close NC:	The SBE was revised. Conclusion for 2.1.2, 2.1.3, 2.2.1, 2.2.2, 2.2.3, 2.2.4, and 2.2.5 was changed from low risk to Specified risk. Comments on mitigation measures were also added to the SBE. SBR was also edited to reflect the changes in the conclusion of the SBE.
Findings for Evaluation of Evidence:	Confirmed that conclusions for the indicators cited were revised. Evidence for these indicators was reviewed.
NC Status:	Closed

2020 findings

NC number 2020.1	NC Grading: Major
Standard & Requirement:	Primary standard reference: ST 1, IN 1A, 2.1 Secondary standard reference: ST 1 section 6, indicators 2.1.1, 2.1.2, and 2.9.1
Description of Non-conformance and Related Evidence:	
<p>The BP has not demonstrated means of verification for the following indicators of SBP-STD-1-V1-0:</p> <ul style="list-style-type: none"> • 2.1.1 and 2.1.2 – Even though the FSC Canada NRA contains numerous references to sources used to evaluate for the presence and protection/conservation status of Intact Forest Landscapes (IFLs; see https://www.globalforestwatch.org) in Canada and per review of Global Forest Watch data there are no IFLs in the BP's Supply Base, SCS has received a Major CAR from the accreditation body which requires that BPs in Canada cite sources used to identify the presence and protection/conservation status of IFLs within the Supply Base; <ul style="list-style-type: none"> ○ Any justification for low risk at the initial stage must include a description of a protective framework through effective legislation, conservation programs, etc. Alternatively, it can be demonstrated by the BP how sourcing from these areas is avoided; ○ Note that evidence is not sufficient if only sources or protection frameworks are mentioned. A description of the effectiveness of legal frameworks or conservation programs is required; • 2.9.1 - Per the Major CAR from the accreditation body, the assessment of feedstock from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks must specifically reference the 2008 cut-off date, and not just how the BP avoids sourcing from existing high carbon stock areas. The current mechanisms for BP avoiding negative impacts to potentially carbon rich ecosystems is through avoidance of conversion sites and logging of potentially sensitive sites under frozen conditions; <ul style="list-style-type: none"> ○ Not only must the present situation be assessed, but also the past to exclude sourcing from areas that may have been converted from carbon rich ecosystems such as wetland/peatland to ecosystems with less soil carbon (e.g., plantations). <p>Evidence: SBE, 2.1.1, 2.1.2, and 2.9.1</p>	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2020.2	NC Grading: Minor
Standard & Requirement:	ST 2, 18.4
Description of Non-conformance and Related Evidence:	
<p>The description of completed monitoring of mitigation measures is included in the SBR. However, results of monitoring are not always clearly presented in a way that clearly links them to meeting the objectives of mitigation measures.</p> <p>Note that the frequency of use of certain monitoring activities may vary within the Supply Base (e.g., monitoring reports prepared by provincial authorities).</p> <p>Evidence: SBR, section 9</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	The SBR was updated to reflect monitoring results, which include completion of signed supplier agreements and wood supplier audits, review of conversion risk maps, and providing of materials on HCVs with specified risk to landowners and land managers.
Findings for Evaluation of Evidence:	Confirmed that SBR was updated with monitoring results.
NC Status:	Closed

NC number 2020.3	NC Grading: Minor
Standard & Requirement:	ID5E, 6.2.5
Description of Non-conformance and Related Evidence:	
<p>The total number of days that the data relates to is not exactly the same as the Reporting Period (e.g. because of meter readings, or inventory/invoicing periods) and an adjustment to match the data to the Reporting Period has NOT been made (e.g. using a simple proportional relationship). The method is used must be recorded in the SAR.</p> <p>Currently, the BP does not make an adjustment for the first and last month in the reporting period. This means that usage from outside of the reporting period is being included in the SAR.</p> <p>Evidence: SAR, SAR supporting Excel files for electricity.</p>	
Timeline for Conformance:	Other Before SAR is finalized
Evidence Provided by Company to close NC:	The SAR supporting Excel files have been updated to offset the dates for the first and last month of the electric meters, and the SAR updated accordingly.
Findings for Evaluation of Evidence:	Confirmed calculations in SAR Excel files and SAR.
NC Status:	Closed

NC number 2020.4	NC Grading: Observation
Standard & Requirement:	ID5E, 6.4.6
Description of Non-conformance and Related Evidence:	
<p>ID 5E, 6.4.6: For roundwood the ratio between maximal and weighted average transport distances is over 1.5 for 90% of the feedstock in that group (the maximum distance is 303 and the average is 158 km, which brings the ratio to 1.9). Per remote inspection, all material in this group is clearly low-grade roundwood. Per interviews with staff and remote observation of material, separating this feedstock group into several feedstock groups could be difficult. However, an alternative is to provide an explanation for not breaking this up into several feedstock groups in the SAR.</p>	

Evidence: SAR, SAR supporting Excel file	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2020.5	NC Grading: Minor
Standard & Requirement:	ST 1, section 6, indicator 2.2.6
Description of Non-conformance and Related Evidence:	
On one of the harvest sites visited, which was still active at the time of the field audit, there was evidence of runoff entering a stream. While some remedial action has been taken (e.g., placement of straw over the filter strip), runoff is still evident onsite. Evidence: Field observation on Crown land, C0200172	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Theodore Brauer
Date of decision:	25/Apr/2021
Other comments:	<i>Click or tap here to enter text.</i>