



Supply Base Report: Canfor Energy North Limited Partnership

Third Surveillance Audit

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Completed in accordance with the Supply Base 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*

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

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1 Overview

Producer name: Canfor Energy North Limited Partnership

Producer address: 9312-259 Road RR1, Site 13, Compartments 2, V1J 4M6 Fort St John, Canada

SBP Certificate Code: SBP-06-24

Geographic position: 56.247300, -120.834200

Primary contact: Brittany Burnett, +1 250 962 3480, brittany.burnett@canfor.com

Company website: www.canfor.com

Date report finalised: 09 Dec 2021

Close of last CB audit: 23 Dec 2020

Name of CB: Control Union Certifications BV

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction

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

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBR on Company website: <https://www.canfor.com/products/energy/pellets>

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

2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary

Includes Supply Base evaluation (SBE): No

Feedstock origin (countries): Canada

2.2 Description of countries included in the Supply Base

Country:Canada

Area/Region: British Columbia/Alberta

Exclusions: No

CENLP's feedstock comes exclusively from sawmilling residual fibre created in Canada. The input is received onsite from Canfor Fort St. John (~95%) with some residuals shipped from other sawmilling facilities in British Columbia and Alberta when required. CENLP does not undertake harvesting activities.

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. Harvesting of the crown lands in the Alberta supply base are done by companies which hold timber harvest licences issued by the Province. The log supply for the local Canfor sawmills originate from TFL #48, Dawson Creek TSA, Fort St John TSA, Fort Nelson TSA, Mackenzie TSA, Prince George TSA, and West Central Alberta, FMA 8800025 and FMA 9900037. 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 through Forest Legislation and Regulation. A minor component of wood 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 for both British Columbia and Alberta can be found in the current timber supply review documents 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%20Holders>).

CENLP uses primarily SPF residuals (spruce/pine/balsam fir) with minor inputs of other coniferous species (douglas-fir, hemlock). Occasionally there may be some hardwood species in the residuals where sawmills have milled species such as aspen, cottonwood or paper birch. No softwood or hardwood species in British

Columbia or Alberta are listed in CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora).

CENLP's feedstock is largely SBP-compliant (99.5% certified from 2 suppliers) as the residuals are transferred as certified under Canfor Corporation's PEFC™ Chain of Custody certificate. Any portion of the residuals transfer that is not PEFC™ certified is PEFC™ controlled (.5% controlled from 1 supplier) and has been screened through Canfor's PEFC™ due diligence system. The licensees who provide the residuals harvest timber from their certified forestlands and purchase some amount of logs from other certified or uncertified forestlands.

CENLP uses 100% secondary feedstock and does not procure any feedstock that is not PEFC™ certified or PEFC™ controlled.

2.3 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 (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 the SFI® forest management standard and to a lesser extent, Canada's FSC® forest management standard.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 35,47
- b. **Tenure by type (million ha):**35.47 (Public)
- c. **Forest by type (million ha):**35.47 (Boreal)
- d. **Forest by management type (million ha):**35.47 (Managed natural)
- e. **Certified forest by scheme (million ha):**33.69 (SFI)

Describe the harvesting type which best describes how your material is sourced: Clearcutting

Explanation: Clear cut with reserves is the harvest method used.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: Primary market is the lumber market with minor volume of low grade logs directed to the pulp market.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? No

Explanation: Artificial reforestation is the primary method to reforest sites.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No

Explanation: Some mountain pine beetle and spruce bark beetle salvage still occurring.

Feedstock

Reporting period from: 01 Oct 2020

Reporting period to: 30 Sep 2021

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 0 N/A
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: N/A
 - Not certified to an SBP-approved Forest Management Scheme: N/A
- d. **List of all the species in primary feedstock, including scientific name:** N/A
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
 - Name of species: N/A
 - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. **Proportion of biomass composed of or derived from saw logs (%):** N/A
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
- k. **Volume of primary feedstock from primary forest:** N/A N/A
- l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. **Volume of secondary feedstock:** 1-200,000 tonnes
 - Physical form of the feedstock: Chips, Sawdust, Other (specify)
- n. **Volume of tertiary feedstock:** 0 N/A
 - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period

Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	0,00	0,00	0,00	0,00
Secondary	0,00	0,00	99,60	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? No

N/A

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: N/A

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

Country: N/A

Indicator with specified risk in the risk assessment used:
N/A

Specific risk description:

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

N/A

7.2 Monitoring and outcomes

N/A

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Brittany Burnett	Divisional Accountant	09 Dec 2021
	Name	Title	Date
<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:	Mark Thom	General Manager	09 Dec 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A