

Shaw Resources – Belledune Supply Base Report

www.sustainablebiomasspartnership.org



Version 1.2 June 2016

NOTE:

This template, v1.2, is effective as of the date of publication, that is, 23 June 2016. Template v1.1 may still be used for those audits undertaken prior to 23 June 2016 and where the certificate is issued to Certificate Holders before 1 October 2016.

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

Document history

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1 Overview

On the first page include the following information:

Producer name: Belledune Wood Pellet Facility
 Shaw Resources (A member of The Shaw Group Limited)

Producer location: 52 Hodgin Road, Belledune, NB, E8G 2E3

Geographic position: Latitude 47.9058, Longitude -65.8670, Datum 1983

Primary contact: Julie Griffiths
 P.O. Box 60, Shubenacadie, NS, B0N 2H0
 902 750 0173
 jgriffiths@shawresources.ca

Company website: www.shawresources.ca

Date report finalised: March 9, 2017

Close of last CB audit: January 19, 2018

Name of CB: SCS Global Services

Translations from English: No

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard (V1.0)
 SBP Standard 2: Verification of SBP-compliant Feedstock (V1.0)
 SBP Standard 4: Chain of Custody (V1.0)
 SBP Standard 5: Collection and Communication of Data (V1.0)

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBE on Company website: <https://shawresources.ca/about-shaw/why-shaw/>

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<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

Shaw Resources Belledune manufactures industrial wood pellets for export to European power utilities. The supply base is considered south-eastern Québec (QC), New Brunswick (NB) and on occasion from Nova Scotia. Sawmill residuals (Sawdust, shavings, woodchips and bark) and round wood are the feedstock for the Belledune Wood Pellet Plant.

New Brunswick Forestry

The New Brunswick provincial government proclaimed the Crown Lands and Forests Act in 1982, and this is the legal foundation of Crown forest management in New Brunswick. The Act divides NB's Crown land into 10 timber licences; each license is leased through a 25 year forest management agreement to a large forest based company called a Licensee. On a 5 year cycle, the New Brunswick Department of Natural Resources assesses how the licensee has managed the Crown forest during the previous five years, and if satisfactory, will renew the agreement for another 5 year period. Each licensee must produce a forest management plan that covers a 25 year period, and must be sustainable over an 80 year planning horizon. Annual operating plans are also required of licensees and are monitored by the government to ensure that each licensee is following the regulations and standards. All forest operations on Crown land must be ISO 14001 certified and certified under an independent sustainable Forest Management System (i.e. CSA, FSC, SFI), making NB the first jurisdiction in the world to require certification of licensee operations.

The provincial government sets the annual allowable cut (AAC) for both Crown and private woodlots based on on-going research on forest inventory. New Brunswick has one of the best forest inventory programs in Canada. Data obtained from aerial photography analysis and ground sample plots chart the province's timber growth and yield and are updated on an annual cycle using a computerized geographical information system.

All feedstock originating from private sources in New Brunswick is monitored through 1 of 7 regional marketing boards. The marketing boards provide forest management assistance to private woodlot owners such as calculating timber inventory, harvesting layout, management plan development and programs that encourage the improved management of woodlots. Private woodlot owners operating under regional marketing boards can also obtain annual subsidies for silviculture programs.

Quebec Forestry

In 2012, the province of Québec adopted the Sustainable Forest Development Act. The newly formed timber marketing boards distribute supply guarantees. The system allows the volumes of wood not used by the guarantee holder to be made available to other mills. In addition, guarantee holders must pay annual dues and dues on every cubic meter of timber purchased (rates are based on the price obtained at auctions of timber from the public forests). About 25% of the timber from the public forest is allocated via a public auction.

The Minister of Natural Resources and Wildlife (MRN) is responsible for planning, monitoring and controlling forest management, scaling the wood and allocating the rights of crown forest in Québec. About 85% of all productive Crown forest in Québec is certified, either through SFI, CSA or FSC. The annual allowable cuts are determined by the Chief Forester.

Private woodlots contribute about 20% of wood supplies in Québec. The Federation of Forest Producers of Québec (Fédération des producteurs forestiers du Québec, FPFQ) is the provincial organization that promotes the interests of the 130,000 private woodlot owners, which includes 35,000 forest producers. There are 13 regional syndicates that were formed to help with the protection and enhancement of Québec's private forests and for the orderly marketing of timber from these areas. The MRN offers technical & financial support to assist privately owned woodlots with sustainable management; however, only certified

private woodlots have access to government programs. In Québec, private forests are considered to be agricultural product and are governed by the Act Respecting the Marketing of Agricultural, Food, and Fish Products along with the Sustainable Forest Development Act. Municipalities have by-laws to restrict/regulate cutting of trees to limit the size of cut blocks and to protect riparian zones and sensitive environments. Permits for logging on private lands are required in all municipalities. The Civil Code of Québec provides recourse for logging performed on private property without the consent of the landowner.

Nova Scotia Forestry

Nova Scotia's Code of Forest Practice provides the guidelines for sustainable forest management which are mandatory on Crown lands (administered by NSDNR), and encouraged on private woodlots in Nova Scotia. A large part of the code is implemented through various provincial and federal legislation and regulations. The Forests Act and the Crown Lands Act is enforced by the Nova Scotia Department of Natural Resources (NSDNR).

The majority of primary wood products supplied to industry in Nova Scotia are from privately owned woodlots. The provincial government implements and develops forest management programs to encourage and assist private woodlot owners to manage their land more effectively. This is done by providing training programs and financial incentives such as the Sustainable Forestry Fund to encourage the sustainable use of private woodlots. The Nova Scotia Registry of Buyers is a registry where businesses and individuals register to acquire primary forest products for processing. The registry provides reliable data to help understand the demand and estimate sustainable harvest levels, as well as aiding in the long term management of Nova Scotia forests. An annual report is released by the Registry of Buyers which outlines the volumes of wood harvested throughout the province.

The Nova Scotia Forests Act was implemented to develop a healthy productive forest capable of yielding high volumes of high quality product and is directed towards both private woodlot owners and Crown lands in the province. Registered buyers of primary forest products are required to contribute to a silviculture program in the Sustainable Forest Fund based on a rate per volume basis. The enforcement division of NSDNR completes regular visits to areas being harvested on both Crown and private lands to ensure that both the Forests Act and the Crown Lands Act are being followed. The provincial government is currently implementing an increased level of silviculture programs to ensure the continued sustainability of forestlands in Nova Scotia

Feedstock Product Groups	% of Certified Feedstock	% of Uncertified Feedstock	# of Suppliers	Species Mix
Controlled Feedstock				
SBP-Compliant Primary Feedstock	62.2%	37.8%	3-5	(See 2.5i, below)
SBP-Compliant Secondary Feedstock	12.6%	87.4%	7-10	(See 2.5i, below)
SBP-Compliant Tertiary Feedstock				
SBP Non-Compliant Feedstock				

Table 1 - Feedstock Product Groups

2.2 Actions taken to promote certification amongst feedstock supplier

Shaw Resources’ suppliers have been informed of Shaw Resources current PEFC chain of custody and the Sustainable Biomass Partnership certification. Sustainability is a common practice amongst many current suppliers of Shaw Resources. Suppliers continue to seek third party sustainable forest management certifications (CSA, FSC, SFI) where possible. Suppliers are asked to sign quarterly supplier declarations and Scoping-in Agreements as part of the PEFC chain of custody certification. Furthermore, all suppliers are required to sign a Supplier Assertion which declares that feedstock originates from within our supply base and not from controversial sources.

Company-wide, Shaw Resources has implemented training programs to ensure that employees understand the objectives of each of the certifications. Shaw Resources’ sustainability mission statement is publicly available and is posted on the company website.

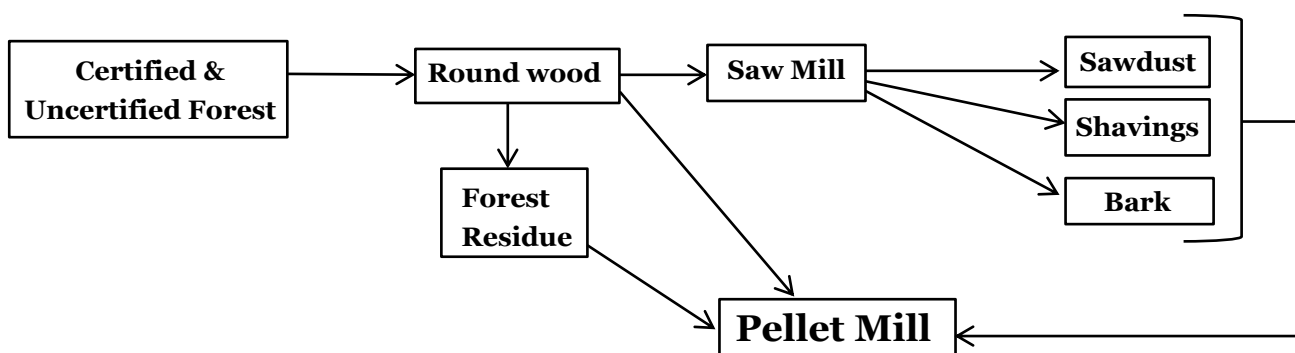
2.3 Final harvest sampling programme

Round wood (Primary wood products) received at Shaw Resources Belledune all originate from NB Crown and private forests. Private forests are regulated through Regional Marketing Boards. Regional Marketing Boards distinguish between marketable sawlogs and woody biomass. Approximately 85% of primary wood products sold in the province are sawlogs and directed to sawmills, while about 15% of primary wood products are considered woody biomass.

The regional marketing boards complete surveys on a random selection of private woodlots chosen by the New Brunswick SFI Implementation Committee (NBSIC) on an annual basis. These surveys are compiled by NBSIC and available as an annual report.

The Department of Natural Resources is responsible for monitoring and enforcing activities on Crown lands, all of which are forest management certified.

2.4 Flow diagram of feedstock inputs showing feedstock type



2.5 Quantification of the Supply Base

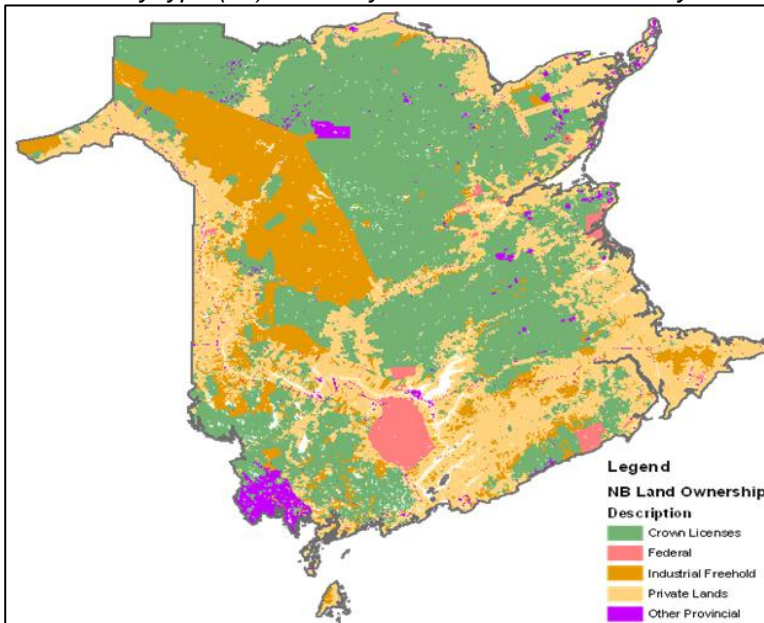
Supply Base

New Brunswick Supply Base

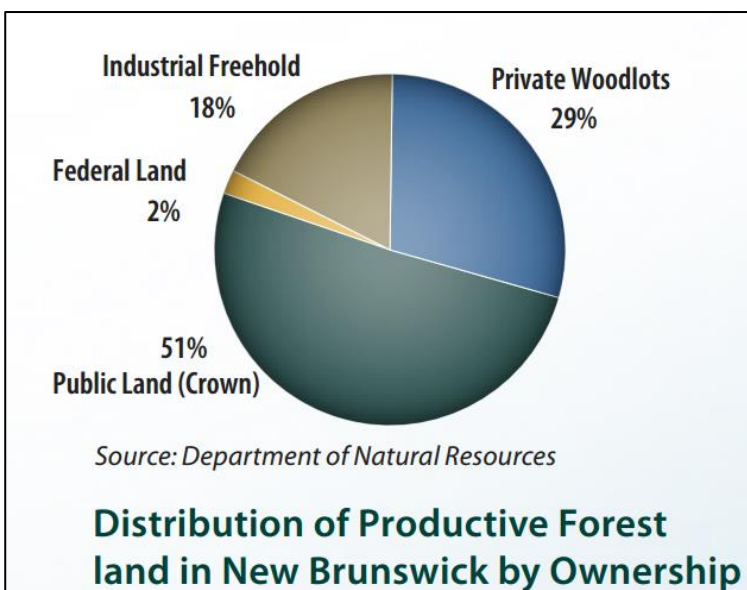
a. *Total Supply Base Area (ha): Cumulative forest area of all forest types within SB*

New Brunswick forests cover more than 6 million hectares of the province's 7 million hectares of land. This equates to 83% of the province being covered in forest (NB Forests brochure, NBDNR). The remaining 17% is made up of agricultural land and urban areas.

b. *Tenure by type (ha): Privately owned/Public/Community concession*



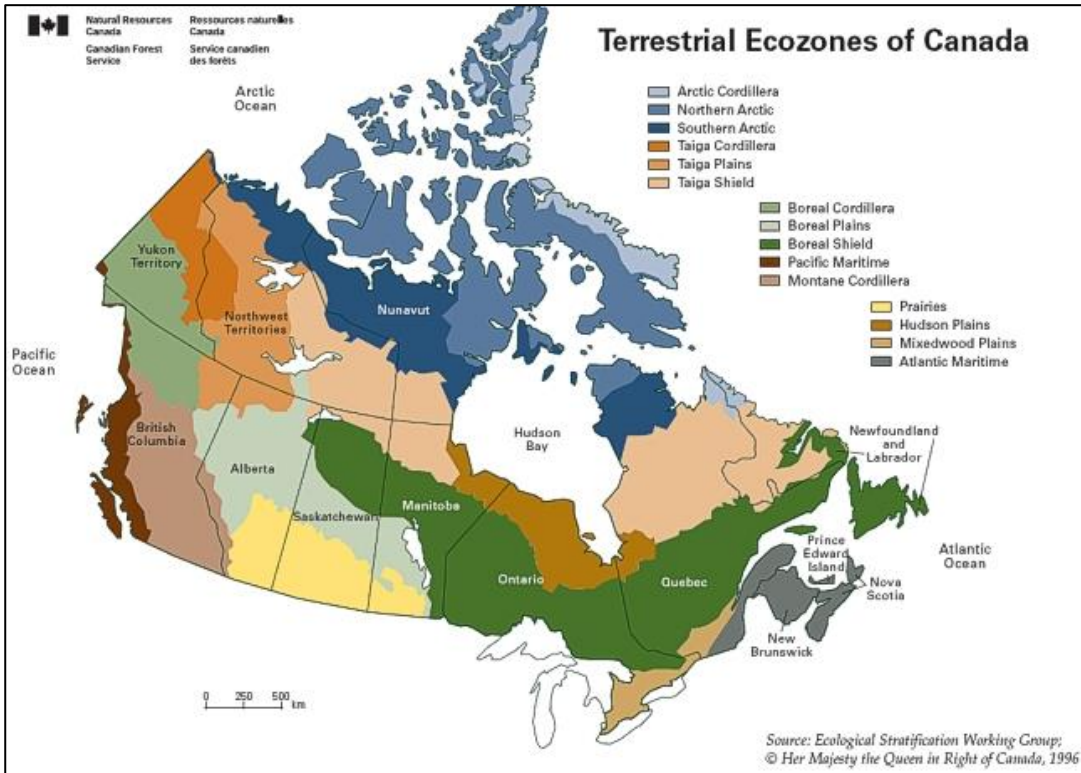
Map of NB Land Tenure by Type (from www.nbforestry.com)



Tenure by type (from State of the Forest Report, NBDNR, 2008)

c. Forest by type (ha): Boreal/Temperate/Tropical

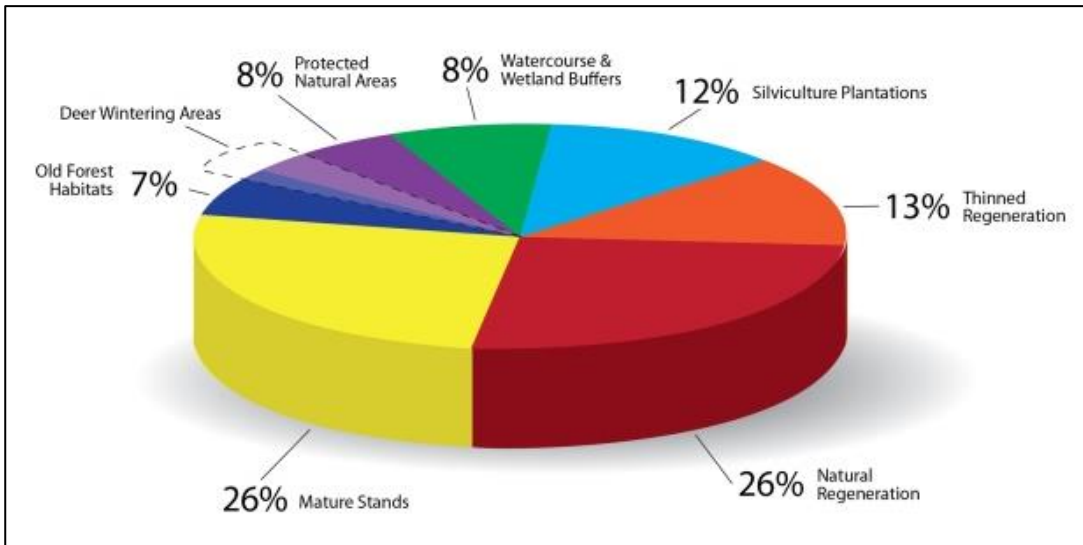
The Maritime Provinces are designated as the Atlantic Maritime Eco zone. They are made up of two major regions, the Appalachians and the coastal plains. About 50% of NB, most of NS, and some regions in QC are made up of the Acadian forest. The Acadian forest can be described as a transitional forest between the boreal spruce-fir to the north, and the deciduous forest to the south.



Eco zones of Canada (from NBDNR, Ecological Stratification Working Group, 1996)

d. Forest by management type (ha): Plantation/Managed Natural/Natural

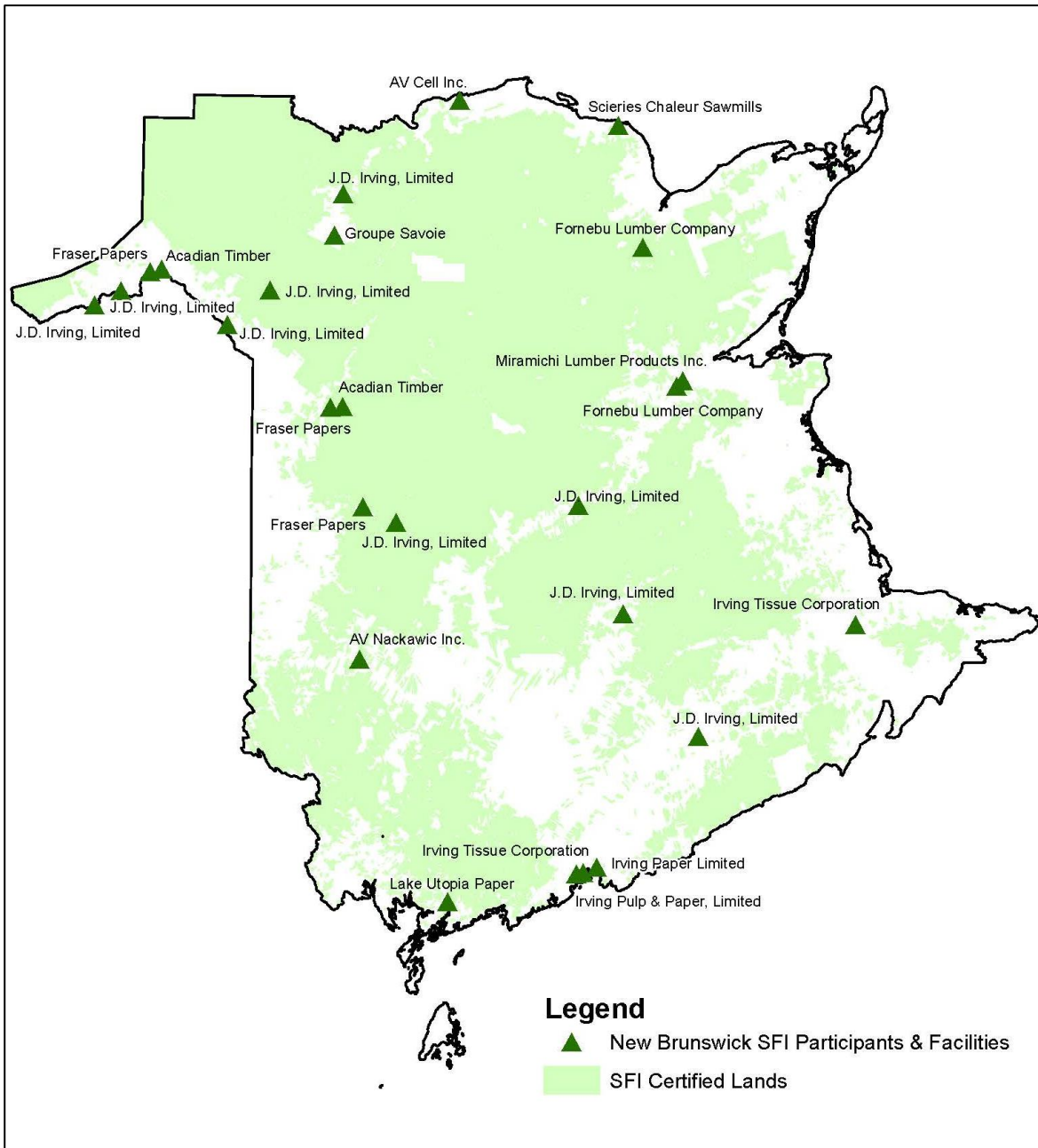
There are 6.1 million hectares of forest in New Brunswick. 3.2 million hectares are designated as Crown forests. The government projects that of those 3.2 million hectares, 26% are natural regeneration forests, 26% are mature stands, 13% are thinned regenerations, 12% have silviculture plantations and the remaining are conservation areas (protected natural areas, watercourses and wetland buffers, deer wintering areas and old forest habitats).



New Brunswick Crown forests projection (GNB, 2014)

e. Certified forest by scheme (ha): Hectares of FSC or PEFC certified

The map below shows SFI Certified lands, and SFI program participants in New Brunswick. In 2005, the SFI forest management program was endorsed by the Programme for the Endorsement of Forest Certification schemes (PEFC). In total 4.2 million Ha are certified to the SFI standard in New Brunswick.



SFI Certified Lands and Participants in NB (From NBSIC, 2009)

Quebec Supply Base

a. *Total Supply Base Area (ha): Cumulative forest area of all forest types within SB*
 Quebec forests cover about 76.1 million hectares of the provinces 166.7 million hectares of land.

b. *Tenure by type (ha): Privately owned/Public/Community concession*
 70 million hectares of forested lands are public and 6.1 million hectares are privately owned.

c. *Forest by type (ha): Boreal/Temperate/Tropical*
 Quebec's forests extend over three major bioclimatic zones. The three forest types are the boreal forest, the mixed wood forest, and the hardwood forest.

d. Forest by management type (ha): Plantation/Managed Natural/Natural

The forest management strategy in Quebec emphasizes natural regeneration. 100% of public forests must be regenerated after logging. When natural regeneration is insufficient, reforestation is introduced.

e. Certified forest by scheme (ha): Hectares of FSC or PEFC certified

By 2013, 90% of all productive areas in Quebec's public forests (32 million hectares) were certified.

Nova Scotia Supply Base

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

4,275,000 ha

b. Tenure by type (ha): Privately owned/Public/Community concession

1,994,000 ha (47%) of the forested lands is public, and the remaining 2,281,000 ha (53%) is private. Public forest land subject to forest management agreements make up 604,000 ha and parks and protected areas make up 736,800 ha.

c. Forest by type (ha): Boreal/Temperate/Tropical

The forested area is part of the Acadian Forest Region and common species include spruce, balsam fir, white pine, maple and birch.

d. Forest by management type (ha): Plantation/Managed Natural/Natural

The majority of forest woodlots in NS are replanted forests, while some are naturally regenerated forests.

e. Certified forest by scheme (ha): Hectares of FSC or PEFC certified

As of 2014, 1,300,000 ha of land in Nova Scotia were certified to CSA, FSC, or SFI (Certification Status Report, Nova Scotia-SFM-Year End 2014, www.certificationcanada.org)

Feedstock

f. Total volume of Feedstock: tonnes or m³

185,000 Tonnes

g. Volume of primary feedstock: tonnes or m³ –

65,000 Tonnes

h. List percentage of primary feedstock (g), by the following categories

- 54.7% of primary feedstock originates from large forest holdings certified to an SBP-approved Forest Management Schemes (primarily SFI Forest Management, which is endorsed through PEFC and SFI Chain of Custody)
- 3.7% primary feedstock originates from large forest holdings not certified to an SBP-approved Forest Management Schemes
- 41.6% of primary feedstock originates from small forest holdings not certified to an SBP-approved Forest Management Schemes

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

- Beech (Fagus sp.)
- Poplar (Populus sp.)
- Hemlock (Tsuga sp.)
- Ash (Fraxinus sp.)
- Birch (Betula sp.)
- Maple (Acer sp.)
- Aspen (Populus sp.)

- Balsam Fir (*Abies Balsamea*)
- Spruce (*Picea* sp.)
- Cedar (*Cedrus* sp.)
- Pine (*Pinus* sp.)

j. Volume of primary feedstock from primary forest

Primary feedstock is sourced from continuously managed secondary forests.

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

- 0% of primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes
- 0% of primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes

l. Volume of secondary feedstock: specify origin and type

All secondary feedstock (sawmill residuals ~50% and forest residuals ~15%) originate from Nova Scotia, New Brunswick and Quebec.

m. Volume of tertiary feedstock: specify origin and composition

There is no tertiary feedstock.

3 Requirement for a Supply Base Evaluation

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

It was determined that a Supply Base Evaluation was required because Shaw Resources – Belledune plans to use the SBP-compliant claim when selling our product, and since a portion of our feedstock is non-certified an SBE was completed. As part of the Supply Base Evaluation, a Stakeholder’s Consultation was also completed to allow stakeholders to identify any foreseeable risks within the supply base.

4 Supply Base Evaluation

4.1 Scope

The scope of the Supply Base Evaluation includes all feedstock source locations. This also applies to logs supplied to sawmills, where the sawdust is used in biomass production. The supply base was made deliberately larger than the actual supply base. The SBE supply base includes the entire province of Nova Scotia, Quebec and New Brunswick. To ensure that all secondary feedstock originates from within the supply base, a 100-km radius around each of our secondary feedstock suppliers (sawmill supplier) is examined to ensure it is within the supply base. Secondly, all suppliers sign a Supplier Assertion that confirms that the origin of the material is from within New Brunswick, Nova Scotia and Quebec.

4.2 Justification

All round wood, biomass, and residuals originate from within New Brunswick, Nova Scotia and Quebec. The approach used in evaluating the supply base relied heavily on government (Federal & Provincial) legislation and regulations and third party certification standards. Government enforcement divisions ensure that through regular monitoring and site visits that all legislation and regulations are enforced. Furthermore, third party forest management certification audits ensure that companies are operating within the standards and harvesting within areas described in their forest management and harvest plans.

4.3 Results of Risk Assessment

The Supply Base Evaluation showed that the feedstock sources are at a low risk of non-compliance to the SBP standards.

4.4 Results of Supplier Verification Programme

Since the supply base evaluation indicated that the entire supply base is low risk, there was no need to complete a supplier verification programme.

4.5 Conclusion

The Supply Base Evaluation was completed to ensure that all sources of primary and secondary feedstock are low risk. The SBE involved a detailed assessment and evaluation of Shaw Resources Belledune feedstock supply bases. Ultimately, the SBE showed a low risk of SBP non-compliance.

5 Supply Base Evaluation Process

The SBE was performed by the Environmental Management System Representative, the same individual responsible for the PEFC Chain of Custody system. Nate Ryant, a professional forester and consultant with NMR Resource Management, also assisted in the process of completing the SBE and implementing SBP processes. Nate has assisted several other pellet mills in implementing SBP and chain of custody certifications, and was recommended by the Wood Pellets Association of Canada.

The SBE process involved a detailed review of all feedstock sources within a particular region and for the Belledune Facility included New Brunswick and Quebec as regional sources. The New Brunswick Department of Natural Resources, the North Shore Forestry Marketing Board, and the Forest Sector from the Department of Environment in Quebec were all consulted in the evaluation process.

6 Stakeholder Consultation

As part of the Stakeholder Consultation, the final SBE document along with a link to the SBP standards was emailed to regional stakeholders, who were given 30 days to respond or comment. The consultation was completed on December 17, 2015.

6.1 Response to stakeholder comments

Comment 1:

One stakeholder had two suggestions for the SBE:

1. Add a website as evidence to Indicator 2.2.7:
QC: http://www.mddelcc.gouv.qc.ca/air/inter_en.htm
2. Additional information in regards to 2.8.1:
Sub-contractors in Quebec must comply with the Quebec Work Health and Safety Commission (CSST).

Response 1:

Stakeholder comments were reviewed, and subsequently added to the SBE.

7 Overview of Initial Assessment of Risk

The results of the Initial Assessment of Risk showed that all indicators were low risk.

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

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

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.3.1		☑	
2.3.2		☑	
2.3.3		☑	
2.4.1		☑	
2.4.2		☑	
2.4.3		☑	
2.5.1		☑	
2.5.2		☑	
2.6.1		☑	
2.7.1		☑	
2.7.2		☑	
2.7.3		☑	
2.7.4		☑	
2.7.5		☑	
2.8.1		☑	
2.9.1		☑	
2.9.2		☑	
2.10.1		☑	

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Since the supply base evaluation indicated that the supply base was low risk, there was no need to complete a supplier verification programme.

8.2 Site visits

N/A

8.3 Conclusions from the Supplier Verification Programme

N/A

9 Mitigation Measures

9.1 Mitigation measures

Mitigation measures were not required at this time as all feedstock was considered low risk in the evaluation process.

9.2 Monitoring and outcomes

N/A

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report



11.1 Peer review

The final version of the Supply Base Report was reviewed by the Operations Manager. A peer review was completed by Nate Ryant on January 19, 2016 a consultant with the Wood Pellet Association of Canada.

11.2 Public or additional reviews

N/A

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Julie Griffiths	Geology/Environmental Specialist	August 31, 2018
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:		Carol MacMillan Chief Financial Officer	Sept 14/18
	Name	Title	Date
Report approved by:	 Lindsay Hawker	Corporate Secretary and Legal Counsellor	Sept 14/18
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

There were no significant changes in the Supply Base.

13.2 Effectiveness of previous mitigation measures

There were no mitigation measures were required with the previous supply base evaluation.

13.3 New risk ratings and mitigation measures

All indicators remain low risk at this time.

13.4 Actual figures for feedstock over the previous 12 months

a. *Total volume of Feedstock: tonnes or m³*

165,000 Tonnes

b. *Volume of primary feedstock: tonnes or m³*

70,000 Tonnes

c. *List percentage of primary feedstock (g), by the following categories*

73.3% of primary feedstock originates from large forest holdings certified to an SBP-approved Forest Management Schemes (primarily SFI Forest Management, which is endorsed through PEFC and SFI Chain of Custody)

No primary feedstock originates from large forest holdings not certified to an SBP-approved Forest Management Schemes

No feedstock originates from small forest holdings certified to an SBP-approved Forest Management Schemes

26.7% of primary feedstock originates from small forest holdings not certified to an SBP-approved Forest Management Schemes

d. *List all species in primary feedstock, including scientific name*

The species list remains unchanged.

e. *Volume of primary feedstock from primary forest*

Primary feedstock is sourced from continuously managed secondary forests.

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

There is no primary feedstock originating from primary forest.

- g. *Volume of secondary feedstock: specify origin and type*
~95,000 Tonnes. All secondary feedstock (sawmill residuals) originate from Nova Scotia, New Brunswick and Quebec.
- h. *Volume of tertiary feedstock: specify origin and composition*
There is no tertiary feedstock.

13.5 Projected figures for feedstock over the next 12 months

- a. *Total volume of Feedstock: Tonnes or m3*
170,000-190,000 Tonnes
- b. *Volume of primary Feedstock: Tonnes or m3*
50,000 - 100,000 Tonnes
- c. *List of percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes*
 - 65-75% of primary feedstock originates from large forest holdings certified to an SBP-approved Forest Management Schemes (primarily SFI Forest Management, which is endorsed through PEFC and SFI Chain of Custody)
 - 0-5% of primary feedstock originates from large forest holdings not certified to an SBP-approved Forest Management Schemes
 - No feedstock originates from small forest holdings certified to an SBP-approved Forest Management Schemes
 - 25-30% of primary feedstock originates from small forest holdings not certified to an SBP-approved Forest Management Schemes
- d. *List all species in primary feedstock, including scientific name*
The species list will likely remain unchanged.
- e. *Volume of primary feedstock from primary forest*
Primary feedstock will continue to be sourced from continuously managed secondary forests.
- f. *List percentage of primary feedstock from primary forest (i), by the following categories. Subdivide by SBP-approved Forest Management Schemes*
 - a. *0% of primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes*
 - b. *0% of primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes*
- g. *Volume of secondary feedstock: Specify origin and type*
All secondary feedstock (sawmill residuals) will originate from Nova Scotia, New Brunswick and Quebec.
- h. *Volume of tertiary feedstock: Specify origin and composition*
There will be no tertiary feedstock.

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The Biomass Producer’s Supply Base is defined and mapped.
Finding	<p>Scope: The supply base is considered south-eastern Quebec (QC), New Brunswick (NB), and Nova Scotia (NS). The supply areas are mapped to ensure the scope is consistent with the risk assessment.</p> <p>QC, NB, & NS Eco regions: <i>Eastern Canadian Forest</i> <i>New England-Acadian Forest</i> <i>Gulf of St. Lawrence lowland</i></p>
Means of Verification	<p>Evidence: Source WWF Eco regions http://www.worldwildlife.org/science/wildfinder/</p>
Evidence Reviewed	Map of supply base area and secondary feedstock sources
Risk Rating	x Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	The company conducts wood procurement operations including purchase and transport of sawmill residuals (chips, shavings & sawdust). The procured wood fibre

	<p>is transported on trucks to the company's pellet mill facility. Typically, the company purchases both certified (typically to PEFC or SFI) and uncertified fibre. The wood fibre originates from within the identified Eco regions listed above (1.1.1).</p> <p>Regional risk assessments have been prepared for the entire supply base (NS, NB, and Quebec). The framework of the risk assessment also includes measures to mitigate risk during procurement activities. Feedstock is Beech, Poplar, Hemlock, Ash, Birch, Maple, Aspen, Balsam Fir, Spruce, Cedar, Pine or Spruce wood fibre.</p> <p>All secondary feedstock suppliers have signed a "Supplier's Assertion". The assertion declares that all of the feedstock that they provide originates from within the defined supply base of NS, NB and Quebec.</p>
Means of Verification	<p>Evidence: Company Risk Assessment Sales Documents Scale tickets, bills of lading, Transportation Certificates</p>
Evidence Reviewed	NB, NS, and PQ Risk Assessments, Scale tickets, Transportation Certificates
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	The species and type of feedstock (sawdust, shavings, chips, etc) are documented on the scale ticket, bill of lading, or Transportation Certificate.
Means of Verification	<p>Evidence: Company Risk Assessment Sales Documents Scale tickets, bills of lading, Transportation Certificates</p>
Evidence Reviewed	NB, NS, and PQ Risk Assessments, Scale tickets, Transportation Certificates
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	

	Indicator
1.2.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.
Finding	<p>There is strong legislation in place in NB, NS, and PEI to ensure the scaling and transportation of logs and wood fibre is documented. Each province has their own Registration Act that ensures that the province and private land owners are able to obtain a guaranteed property title ensuring the legality of land ownership. Land use is regulated with municipal by-laws.</p> <p>New Brunswick The Department of Natural Resources (NBDNR) partitions provincial Crown forest into Timber Licences. Timber licences are allocated to licensees, who are responsible for developing and managing the forests to achieve the goals, objectives and standards set out by the government. NBDNR reviews the performance of the licensee’s management of the lands on a 5-year cycle. Most Crown land in NB is forest management certified to SFI.</p> <p>Private woodlots in NB are managed through Regional Marketing Boards. The Marketing Boards encourage BMPs and monitor feedstock to ensure it doesn’t originate from controversial sources. NB legislation requires that the Property Identification Number (PID) be documented on all transportation certificates (TC) from private woodlots. This allows the end user to track the material back to the source lot.</p> <p>Nova Scotia Private woodlot owners are the primary source of forest products for industry. The Nova Scotia Registry of Buyers is a registry where businesses and individuals register to acquire primary forest products for processing. For private woodlots, Best Management Practices (BMPs) are in place through the Nova Scotia Forest Alliance, in which most major sawmill residual suppliers are partners and associated members. Nova Scotia’s Land Registration Act ensures that both Crown and private land owners are able to obtain a guaranteed title to a property.</p> <p>Quebec 92% of Quebec’s forests are considered Crown lands, and as of 2013, 90% of the productive areas in the public forests are certified under CSA, PEFC, or FSC certifications. These certifications help to ensure that wood is not from controversial sources. All transporters of logs and wood products in Quebec must be in possession of a form stipulating the origin of the wood, and all documentation concerning transportation, processing and scaling activities must be kept and may be checked, inspected on site, or audited. All purchasers and resellers of wood must keep up-to-date registers, and must make them available to MRN authorities for inspection.</p>
Means of Verification	<p>Evidence: PEFC EMS Manual, PEFC documentation and records, Supplier Assertion, Load & Scale Slips, transportation certificates NB Registry Act: http://laws.gnb.ca/en/showpdf/cs/R-6.pdf NS Land Registration Act: http://nslegislature.ca/legc/statutes/landreg.htm Quebec Regulation respecting land registration</p>

	http://legisquebec.gouv.qc.ca/en/ShowDoc/cr/CCQ,%20r.%206 NBDNR Audits available online: http://www2.gnb.ca/content/gnb/en/departments/natural_resources/ForestsCrownLands/content/TimberHarvestingScaling.html Registry of Buyers Annual Report: http://novascotia.ca/natr/forestry/registry/ann_report.asp Supplier Assertion Load and Scale Slips/Transportation Certificates
Evidence Reviewed	Environmental Management System (EMS) Manual, PEFC documentation and records, Supplier Assertion, Load and Scale Slips/Transportation Certificates
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.3.1	The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.
Finding	<p>The UN Security Council has not issued a ban on timber exports from NB, PQ, or NS; there are no Security Resolutions for Canada listed on the website (searched Resolutions from 2000-2008). Canada is not designated as a source of conflict timber.</p> <p>The federal Department of Fisheries and Oceans also enforces aspects of the Fisheries Act that may pertain to logging related activities on both Crown and private managed forest land.</p> <p>Transparency International maintains a website with regularly updated information regarding perceptions of corruption at the national level; the 2008 Corruption Perception Index for Canada is among the highest in relation to the rest of the world (i.e., is perceived to have a very low rate of corruption).</p> <p>Canadian Council of Forest Ministers maintains data to indicate progress on sustainable forest management, including assessing general compliance with laws and regulations as documented in the 2005 National Status Report.</p> <p>New Brunswick The enforcement of the NB Transportation of Primary Forest Products Act ensures that transportation certificates (TC) are accurately completed. TC's are mandatory for each load of feedstock and are subject to audits by NBDNR and NB Forest Products Commission. In addition, all Crown lands and industrial freehold private lands are 3rd party certified (SFI, FSC, or CSA) and undergo annual audits.</p> <p>Private woodlots owners undergo audits at random through Regional Marketing Boards to ensure that Best Management Practices (BMP's) are being used.</p> <p>Nova Scotia Crown and private lands are governed by the NS Forest Act and the Crown Lands Act.</p>

	<p>The enforcement division of NSDNR is responsible for the monitoring of these acts. NSDNR manages allocations assigned on Crown Lands. A Crown allocation map is available online. The Code of Forest Practice provides guidelines for sustainable forest management that are mandatory on Crown lands (administered by NSDNR), and highly encouraged on private woodlots. A letter of authority detailing the allowable products and maximum allowable cut is issued by NSDNR.</p> <p>Quebec In QC, Crown and private forests are governed by the Sustainable Forest Development Act through the Minister of Natural Resources (MRN). The MRN is responsible for preparing forest management plans for all Crown forests, and offering technical and financial support for sustainable forestry to private woodlot owners. The MRN authorizes all permits, agreements, and contracts associated with wood harvesting, and inspects & audits work that has been completed. All transporters of logs or wood products in QC must have a form indicating the origin of the wood. All documentation concerning transportation, processing, and scaling activities must be kept. By 2013, ~90% of all productive areas in QC’s public forests were certified (SFI, FSC or CSA).</p>
<p>Means of Verification</p>	<p>Supporting Information: http://www.un.org/documents/scres.htm http://www.illegal-logging-info/ NBDNR Annual Report & Crown Forestry Agreements: http://www2.gnb.ca/content/gnb/en/departments/natural_resources/Publications.html NBDNR Website (Annual crown forest audits): http://www2.gnb.ca/content/gnb/en/departments/natural_resources.html NSDNR – Code of Forest Conduct: http://novascotia.ca/natr/forestry/reports/Code-of-Forest-Practice.pdf Quebec Government – Sustainable Development Act: http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/D_8_1_1/D8_1_1_A.html Private Managed Forest Land Council (Inspection Reports): http://www.pmflc.ca/ DFO Canada Enforcement (Annual Reports) of the Fisheries Act: http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/measuring-mesures/reports-rapports/index_e.asp Canadian Council of Forest Ministers maintains data to indicate progress on sustainable forest management, including assessing general compliance with laws and regulations as documented in the 2005 National Status Report: http://www.ccmf.org/current/ccitf_e.php Transparency International (refer to tab on left “Global Corruption”): http://www.transparency.org Global Witness: http://www.globalwitness.org Environmental Investigation Agency: http://www.eia-international.org The Royal Institute of International Affairs: http://www.illegal-logging.org</p>
<p>Evidence Reviewed</p>	<p>EMS Manual, Provincial Governmental Reports</p>

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

	Indicator
1.4.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.
Finding	<p>Where a company harvests from Crown lands it is responsible to pay the Crown a predetermined stumpage rate.</p> <p>New Brunswick In NB, licensees are responsible for the proper scaling and remitting of all royalties. The records of royalty payments for each of the 10 licensees are published in the NBDNR annual report.</p> <p>Nova Scotia In NS, buyers must submit statistical returns indicating the volume of wood purchased. Export documents must be kept on hand and provided upon request of the minister.</p> <p>Both Private and Crown forest products must comply with the Forests Sustainability Regulations. Buyers who obtain more than 5,000 cubic meters/year of privately sourced wood must provide silviculture treatments. Those with rights to Crown land must pay royalties for all timber products harvested. NSDNR’s regional field staff and conservation officers monitor and enforce activities on Crown lands to prevent unauthorized harvest or theft of timber. Private landowners rely on commercial or civic laws to protect their property from timber theft or to enforce the terms of a business transaction.</p> <p>Quebec A free market was introduced for public forests along with an increase in harvesting royalties. The newly formed timber marketing boards provide supply guarantees and set the rate of annual dues and the cost of timber. The holder of a supply guarantee is no longer responsible for forest management, it is now the full responsibility of the Minister of Natural Resources and Wildlife</p>
Means of Verification	<p>NBDNR Annual Reports: http://www2.gnb.ca/content/gnb/en/departments/natural_resources/Publications.html</p> <p>Registry of Buyers Annual Report: http://novascotia.ca/natr/forestry/registry/ann_report.asp</p> <p>Quebec’s New Forestry Regime Supply Guarantees: http://www.mffp.gouv.qc.ca/english/forest/understanding/index.jsp</p>
Evidence Reviewed	Review of provincial & national legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

Comment or Mitigation Measure	
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	Indicator
1.5.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	<p>The company does not procure any raw materials from the list of species deemed threatened or endangered as classified by CITES. Documentation of the species type and source of incoming fiber ensure that endangered or threatened species are not being used.</p> <p>As a Party to CITES, Canada has an international obligation to regulate the trade in CITES-listed wild animals and plants. The Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act (WAPPRIITA) and the Wild Animal and Plant Trade Regulations (WAPTR) provide the legislation for CITES controls in Canada.</p>
Means of Verification	<p>Evidence: http://www.cites.org https://www.ec.gc.ca/alef-ewe/default.asp?lang=en&n=65FDC5E7-1</p>
Evidence Reviewed	
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.6.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.
Finding	<p>The Canadian Charter of Rights and Freedoms forms the first part of the Constitution Act (1982). The bill guarantees certain political rights of Canadian Citizens and civil rights to everyone in Canada. Aboriginal rights, like treaty rights, are recognized by Section 35 of the Constitution Act. Historically, Aboriginal rights have been achieved by way of treaty or land claims settlement rather than through legislation.</p> <p>The new Aboriginal Forestry Initiative (AFI) is the federal government’s approach to enhance aboriginal participation in Canada’s forest sector. The AFI is supported by Natural Resources Canada and Aboriginal Affairs and Northern Development Canada.</p>
Means of Verification	<p>Evidence: http://www.state.gov/g/drl/rls/hrrpt/2005/61719.htm http://www.nafaforestry.org/pdf/2015/First%20Nation-</p>

	Held%20Forest%20Tenure%20Report%202015.pdf http://www.nrcan.gc.ca/forests/federal-programs/13125
Evidence Reviewed	Review of Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.1.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.
Finding	<p>New Brunswick Protected Natural Areas (PNA) are mapped and sites of high or unique ecological, historical, cultural or scenic value are preserved.</p> <p>Nova Scotia High conservation value forests on Crown Lands are protected through legislation, and enforced by NSDNR. On private lands, designation and protection require agreement with the landowner.</p> <p>Quebec In QC, high conservation value forests are protected through the Sustainable Forest Development Act. The Minister may designate a forest as an exceptional forest ecosystem, all forest development activities are prohibited in these forests.</p> <p>There are no biodiversity hotspots within the districts of origin covered in this Risk Assessment. There is no overlap of the company's supplier's wood sourcing area with the WWF Global 200 eco-region designation. Canada is a signatory of the convention of international trade in endangered species of wild fauna and flora</p>
Means of Verification	<p>Supporting evidence: High Conservation Value Network http://www.hcvnetwork.org Forests with exceptional Conservation Value: http://www.sfiprogram.org/files/pdf/draft2015-2019-standard-section-6/ NatureServe: http://www.natureserve.org Global Forestry Risk Registry: http://www.globalforestregistry.org/ Conservation Internationals Global Hotspots: http://www.biodiversityhotspots.org WWF Global 200 Regions: http://worldwildlife.org/science/ecoregions/global200.html WWF Terrestrial Eco region Profiles: http://worldwildlife.org/wildworld/terrestrial FSC Canada Global Forest Watch Intact Forest Database:</p>

	http://fscCanada.org/docs/37b60f3055cds17c.pdf Nova Scotia Endangered Species Act http://nslegislature.ca/legc/statutes/endspec.htm Quebec Sustainable Forest Development Act http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/A-18.1
Evidence Reviewed	Maps showing areas of high conservation value, Provincial Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.1.2	The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.
Finding	<p>7% of Canadian forests (24 million hectares) are designated as protected areas. The National Parks Act was developed to help create and manage these protected areas. Most of these protected forests have become National or Provincial Parks, and the remainder are wildlife reserves.</p> <p>Watercourses and wetlands are protected through Canada’s Water Act. These are also regulated through provincial regulations. These acts not only protect the quality of the water, but also ensure that sufficient buffers are maintained around all waterways.</p> <p>New Brunswick Protected Natural Areas (PNA) are mapped and sites of high or unique ecological, historical, cultural or scenic value are preserved. All Crown lands are third party certified. In 2015, the New Brunswick Provincial government developed a map that shows Crown land conservation areas in New Brunswick. Most areas considered High Conservation Value Forest are protected through federal and provincial government legislation (i.e. Protected Natural Areas Act, Parks Act, Crown Lands Act, etc). The marketing boards assist private woodlot owners in identifying any areas of high conservation value in their forest management plans.</p> <p>Nova Scotia High conservation value habitats are protected under the Nova Scotia Endangered Species Act. On private lands, designation and protection require agreement with the landowner.</p> <p>Quebec High conservation value forests are protected through the Sustainable Forest Development Act. The Minister may designate a forest as an exceptional forest ecosystem, all forest development activities are prohibited in these forests.</p> <p>The supply base doesn’t include any areas listed as critical or vulnerable according to</p>

	WWF's Global 200 Ecoregions. (http://wwf.panda.org/about_our_earth/ecoregions/maps/).
Means of Verification	Supporting Information: PEFC Wood Procurement processes Best Management Practices BMP's available online SFI Implementation Committee surveys of private woodlots (NB SIC Survey) Nova Scotia Endangered Species Act http://nslegislature.ca/legc/statutes/endspec.htm Quebec Sustainable Forest Development Act http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/A-18.1
Evidence Reviewed	PEFC Wood Procurement processes Best Management Practices SFI Implementation Committee surveys of private woodlots
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.1.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.
Finding	There are no forests by the definition in the standard that fit the definition of a production plantation forest in the supply area. All fibre is procured or produced from Crown or private forest land in its native state.
Means of Verification	Evidence: Risk Assessments Supplier Assertions
Evidence Reviewed	NB, NS, and PQ Risk Assessments Supplier Assertions
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.
Finding	All feedstock originates from within NB, NS or Quebec. Supplier assertions specify the region of origin of the feedstock (NB, NS & Quebec) are signed by all suppliers. A Supplier Based Evaluations is also completed annually on 25% of our suppliers. These

	<p>evaluations help to identify how the supplier tracks the feedstock back to the forest. Risk assessments have been completed for each of the 3 source provinces.</p> <p>FM-certified forests are required to maintain an operating and harvest plan for the forest and must update these on an annual cycle. Private woodlots are required to follow best management practices and have operating/harvesting plans to be considered for silviculture funding.</p>
Means of Verification	<p>Evidence: EMS Manual PEFC Chain of Custody Certification NB SIC Survey</p>
Evidence Reviewed	<p>EMS Manual PEFC Chain of Custody Certification NB SIC Survey</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	

	Indicator
2.2.2	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).</p>
Finding	<p>Regional forests have implemented Best Management Practices for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites.</p> <p>New Brunswick BMP's are supplied to private woodlot owners through the Regional Marketing Boards. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. Furthermore, the marketing boards complete annual audits on a selection of their primary wood private woodlot suppliers. These data are summarized in an annual report. Adherence to the Clean Water Act, Watercourse Buffer Zone Guidelines is also required in both private and Crown forests in NB.</p> <p>Nova Scotia The Nova Scotia's Code of Forest Practice states that forest management will be designed and conducted in a manner that maintains and enhances the quality of air, water, and soil. The Watercourse and Wildlife Habitat Protection Regulations require that on Crown and Private lands that buffer strips must be left along watercourses, legacy trees must be left in clumps, and coarse woody debris must be left in all types of forest harvesting and management activities. In Nova Scotia, BMP's are provided to private woodlot owners through regional organizations who assist private woodlot owners in their forests' management.</p> <p>Quebec The Sustainable Forest Development Act is used as a guideline when constructing</p>

	forest management plans, which for the Crown lands are done primarily by the Minister of Natural Resources (MRN). Confirmation of management practices is part of the supplier risk assessment and monitoring system.
Means of Verification	Supporting Information: PEFC wood procurement processes Company risk assessments Wood producer information packages
Evidence Reviewed	PEFC wood procurement processes, NB, NS, and PQ risk assessments
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.3	The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
Finding	<p>New Brunswick Regional forests have implemented Best Management Practices (BMPs) for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. BMP's are supplied to private woodlot owners through the Regional Marketing Boards. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. Furthermore, the marketing boards complete annual audits on a selection of their primary wood private woodlot suppliers. These data are summarized in an annual report. Adherence to the Clean Water Act, Watercourse Buffer Zone Guidelines is also required in both private and Crown forests in NB.</p> <p>Nova Scotia The Nova Scotia's Code of Forest Practice states that forest management will be designed and conducted in a manner that maintains and enhances the quality of air, water, and soil. The Watercourse and Wildlife Habitat Protection Regulations require that on Crown and Private lands that buffer strips must be left along watercourses, legacy trees must be left in clumps, and coarse woody debris must be left in all types of forest harvesting and management activities. In Nova Scotia, BMP's are provided to private woodlot owners through regional organizations who assist private woodlot owners in their forests' management.</p> <p>Quebec In QC, the Sustainable Forest Development Act is used as a guideline when constructing forest management plans, which for the Crown lands are done primarily by the Minister of Natural Resources (MRN). Confirmation of management practices is part of the supplier risk assessment and monitoring system.</p>
Means of Verification	Supporting Information: Canada - National Parks Act NB – Protected Natural Areas Act, Parks Act

	NS – Special Places Protection Act, Wilderness Areas Protection Act, Nature Reserves Protection Act, Provincial Parks Act PQ - Natural Heritage Conservation Act, the Act Respecting the Conservation and Development of Wildlife, Ecological Reserves Act, Parks Act PEFC wood procurement processes Company risk assessments Wood producer information packages NB SIC Survey
Evidence Reviewed	NS, NB, and PQ Risk Assessments, NB SIC Survey, PEFC wood procurement processes, Local & National Legislation requirements
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.4	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	<p>New Brunswick Regional forests have implemented Best Management Practices (BMPs) that ensure that biodiversity is protected. BMP's are supplied to private woodlot owners through the Regional Marketing Boards. A supplier specific risk assessment is completed and included with every contract to determine whether a site specific inspection will be completed. Furthermore, the marketing boards complete annual audits on a selection of their primary wood private woodlot suppliers. These data are summarized in an annual report.</p> <p>Computer based modelling software is used to create maps of forest inventory data. These maps show Eco regions, species present and include areas which are considered more vulnerable, including sites of endangered species, waterways, deer wintering areas and old-spruce forests. These maps are used in the management plans to ensure that biodiversity of the Crown forest is maintained.</p> <p>Nova Scotia In NS, the Nova Scotia's Code of Forest Practice states that forest management will be designed and conducted in a manner that maintains and enhances the quality of air, water, and soil. The Watercourse and Wildlife Habitat Protection Regulations require that on Crown and Private lands that buffer strips must be left along watercourses, legacy trees must be left in clumps, and coarse woody debris must be left in all types of forest harvesting and management activities. In Nova Scotia, BMP's are provided to private woodlot owners through regional organizations who assist private woodlot owners in their forests' management.</p> <p>Quebec The Sustainable Forest Development Act is used as a guideline when constructing forest management plans, which for the Crown lands are done primarily by the Minister of Natural Resources (MRN). Confirmation of management practices is part</p>

	of the supplier risk assessment and monitoring system.
Means of Verification	Supporting Information: NB, NS, & PQ all have Acts protecting endangered species PEFC Wood Procurement processes Company risk assessments Wood Producer Information Packages
Evidence Reviewed	PEFC Wood Procurement processes, Best Management Practices, Local and National Legislation Requirements
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.
Finding	<p>New Brunswick Regional forests have implemented Best Management Practices (BMPs) for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. BMP's are supplied to private woodlot owners through the Regional Marketing Boards. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. Furthermore, the marketing boards complete annual audits on a selection of their primary wood private woodlot suppliers. These data are summarized in an annual report. Adherence to the Clean Water Act, Watercourse Buffer Zone Guidelines is also required in both private and Crown forests in NB.</p> <p>Computer based modelling software is used to create maps of forest inventory data. These maps show Eco regions, species present and include areas which are considered more vulnerable, including sites of endangered species, waterways, deer wintering areas and old-spruce forests. These maps are used in the management plans to ensure that biodiversity of the Crown forest is maintained.</p> <p>Nova Scotia The Nova Scotia's Code of Forest Practice states that forest management will be designed and conducted in a manner that maintains and enhances the quality of air, water, and soil. The Watercourse and Wildlife Habitat Protection Regulations require that on Crown and Private lands that buffer strips must be left along watercourses, legacy trees must be left in clumps, and coarse woody debris must be left in all types of forest harvesting and management activities. In Nova Scotia, BMP's are provided to private woodlot owners through regional organizations who assist private woodlot owners in their forests' management.</p>

	<p>Quebec Sustainable Forest Development Act is used as a guideline when constructing forest management plans, which for the Crown lands are done primarily by the Minister of Natural Resources (MRN). Confirmation of management practices is part of the supplier risk assessment and monitoring system.</p> <p>Areas are sourced for logs and wood fibre requirements based on the proximity to the Mill facilities. If deemed economical, wood fibre is extracted from previously harvested areas.</p>
Means of Verification	<p>Supporting Information: Wood Procurement processes Company risk assessments Wood Producer Information Packages Company specific utilization standards</p>
Evidence Reviewed	SFI Wood Procurement processes, Best Management Practices, Local and National Legislation Requirements
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.6	The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).
Finding	<p>New Brunswick Regional forests have implemented Best Management Practices (BMPs) for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites. BMP's are supplied to private woodlot owners through the Regional Marketing Boards. A supplier specific risk assessment will be completed and included with every contract to determine whether a site specific inspection will be completed. Furthermore, the marketing boards complete annual audits on a selection of their primary wood private woodlot suppliers. These data are summarized in an annual report. Adherence to the Clean Water Act, Watercourse Buffer Zone Guidelines is also required in both private and Crown forests in NB.</p> <p>Nova Scotia Nova Scotia's Code of Forest Practice states that forest management will be designed and conducted in a manner that maintains and enhances the quality of air, water, and soil. The Watercourse and Wildlife Habitat Protection Regulations require that on Crown and Private lands that buffer strips must be left along watercourses, legacy trees must be left in clumps, and coarse woody debris must be left in all types of forest harvesting and management activities. In Nova Scotia, BMP's are provided to private woodlot owners through regional organizations who assist private woodlot owners in their forests' management.</p> <p>Quebec</p>

	The Sustainable Forest Development Act protects negative impacts to watercourses and groundwater on public lands. All watercourses in Quebec are protected through the Protection Policy for Lakeshores, Riverbanks, Littoral Zones and Floodplains under the Environmental Policy Act.
Means of Verification	Evidence: Supplier Risk Assessments through Regional Marketing Boards Local and National Legislation Requirements
Evidence Reviewed	Supplier Risk Assessments, Local and National Legislation Requirements
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.7	The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.
Finding	<p>Equipment used to harvest and generate biomass is regularly inspected and maintained. This includes the use of modern engine designs and the changing of air filters at specified periods.</p> <p>Each province (NB, NS, and PQ) carry out their own air quality monitoring programs.</p> <p>New Brunswick The Department of the Environment and Local Government continuously monitor a variety of air pollutants at over 100 locations throughout the province. All industries are required to take steps to cut their emissions when levels begin to approach provincial standards and/or national guidelines.</p> <p>Nova Scotia The NS provincial government also has air monitoring stations set up throughout the province. These are compared against the Maximum Permissible Ground Level Concentrations in the Nova Scotia Air Quality Regulations and the Canadian Ambient Air Quality Standards.</p> <p>Quebec Data from monitoring stations throughout Quebec are compared to the Quebec Air Quality Standards and criteria.</p>
Means of Verification	Evidence: Canada’s Clean Air Act
Evidence Reviewed	Review of Provincial and Federal Legislation

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

	Indicator
2.2.8	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities (CPET S5c).
Finding	Provincial governments ensure that there is control over the use of chemicals and that proper pest management techniques are employed within each province.
Means of Verification	Supporting Evidence: NB – Pesticide Control Act NS – Pesticide Regulations under the Environment Act PQ – Pesticides Management Code
Evidence Reviewed	Review of Provincial Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.9	The Biomass Producer has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	Each province requires spills of hazardous substances and environmental contaminants to be reported as soon as possible. The spill response is evaluated and it is determined whether further action/follow-up or fines are required. In NB and PQ, all spills must be reported to the provincial government. In Nova Scotia, authorities must be notified if the unauthorized release of contaminants is greater than pre-determined level. Each province also has a spill reporting hotline.
Means of Verification	Supporting evidence: Provincial Legislation
Evidence Reviewed	Review of Provincial Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.1	Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.
Finding	<p>New Brunswick Forest Development Surveys provide quantitative stand data such as volume, density, and age by individual species. Licensee-managed changes to the forest are updated annually to track the implementation of the long term forest management plan. In harvesting, a variety of techniques are used (i.e. uneven-aged management) to ensure the long term sustainability of the forest. Licensees are responsible for ensuring that they do not exceed the annual allowable cut. The annual reports submitted to NBDNR summarize the harvest by forest zone and annual volume harvested. After 5 years and 10 years, a status of plantations and naturally regenerating areas including species mix, average tree height are determined.</p> <p>Nova Scotia NSDNR have been collecting data on volume of forest harvest and secondary forest products for 60 years, which is reported in the NS forest production survey. NSDNR opted for a more detailed data collection system and implemented the NS Registry of Buyers. Furthermore, NSDNR’s forest inventory program collects inventory data via photo Interpretation and Permanent Forest Inventory Plots. Data analysis is used to define and track many forest components, such as volume and growth. The data also provides a basis for modelling volume, biomass and carbon. The Timber Management Group through NSDNR collect data on forest resources such as how they are affected by silviculture and harvesting via trials, experiments and surveys. The Spatially Related Forest Resources information system which shows forest stand descriptions, ownership, wildlife habitat and wetlands information, and natural and protected areas.</p> <p>Quebec Québec has carried out three forest inventory programs over the last 40 years: the network now consists of more than 28,000 ecology observation points. These inventories have permitted the analysis of the forest ecosystems’ evolution, their fragility, their productivity and their wood volume; they are also essential in locating protected areas. The inventory work allows forest growth and changes in the forest canopy to be monitored over time.</p>
Means of Verification	Evidence: Provincial government research
Evidence Reviewed	Review of Provincial Government Research and Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	All staff and contractors are trained to ensure they are aware and competent. The operations identify environmental and sustainable forestry training needs for employees and contractors to ensure that individuals performing tasks which can cause significant environmental impacts are competent on the basis of appropriate education, training and / or experience.
Means of Verification	Evidence: Sub-Contractor Agreements Training programs Electronic training records
Evidence Reviewed	Sub-contractor agreements, training program & matrix
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	The work force is hired locally in the adjoining communities where the pellet milling plants are located. Wherever possible, equipment, supplies and other resources are also sourced locally. The facility also contributes to the communities in the form of municipal taxes.
Means of Verification	Evidence: Employee addresses Tax Bill Account Payables Supplier listings
Evidence Reviewed	Supplier list, distance to suppliers
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.4.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).
Finding	<p>New Brunswick Forest health and vitality are monitored through the provincial government. They determine the annual allowable cut for Crown and private woodlots based on ongoing research. Aerial photography and forest plots are used to chart the timber's growth and yields. These are updated annually using a computerized Geographical Information System (GIS). The Marketing Boards in New Brunswick assist private woodlots owners with timber inventory, harvest layout, and forest management plan development. The board also offers programs that help improve the management of private woodlots.</p> <p>Nova Scotia The Forest Protection Division helps to maintain the health of Nova Scotia's woodlands by protecting them from pests and fires. The Forest Health section (advice and management of pests), Risk Services section (Provincial Forest Protection program), Wildfire Management section (Wildfire management) all work together to maintain forest health in Nova Scotia. The Forests Act was implemented to develop a healthy productive forest capable of yielding high volumes of high quality product. The Act is targeted to both private woodlot owners and Crown lands in the province. The provincial government is responsible for ensuring the enforcement of these acts.</p> <p>Quebec An independent body, the chief forester, is contracted by the provincial government. The chief forester is responsible for the collection of data to report on the health and vitality of the province's forests. 5-year reports summarize the volume of timber harvested, natural disturbances (fire, insects & disease) and forest protection measures (protected areas, targets and certification)</p>
Means of Verification	<p>Evidence: NB SIC Survey Quebec - Chief Forester Reports: http://forestierenchef.gouv.qc.ca/ New Brunswick – New Approaches for Private Woodlots http://www2.gnb.ca/content/dam/gnb/Departments/nr-rn/pdf/en/ForestsCrownLands/NewApproachesForPrivateWoodlots.pdf New Brunswick – A balanced management approach for New Brunswick's Crown Forest http://www2.gnb.ca/content/dam/gnb/Departments/nr-rn/pdf/en/ForestsCrownLands/BMAF.pdf Nova Scotia – Registry of Buyers annual report http://novascotia.ca/natr/forestry/registry/ann_report.asp</p>
Evidence Reviewed	NB SIC Survey

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

	Indicator
2.4.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	<p>New Brunswick Forest fires, pests and diseases are monitored through the provincial government. The Department of Natural Resources' Forest Pest Management Group is responsible for protecting New Brunswick's forests from insects and disease. The group have a forest pest management program that acts as an effective detection, monitoring and forecasting system. Forest fires are monitored through DNR's Forest Fire Watch. Furthermore, New Brunswick has an online reporting system for the public to report forest pests, disease or damage.</p> <p>Nova Scotia The Forest Protection Division helps to maintain the health of Nova Scotia's woodlands by protecting them from pests and fires. The Forest Health section (advice and management of pests), Risk Services section (Provincial Forest Protection program), Wildfire Management section (Wildfire management) all work together to ensure that fires, pests and diseases are managed properly.</p> <p>Quebec The chief forester is responsible for the collection of data to report on the health and vitality of the province's forests. 5-year reports summarize the volume of timber harvested, natural disturbances (fire, insects & disease) and forest protection measures (protected areas, targets and certification).</p>
Means of Verification	<p>Evidence: NB SIC Survey Quebec - Chief Forester Reports: http://forestierenchef.gouv.qc.ca/ New Brunswick – New Approaches for Private Woodlots http://www2.gnb.ca/content/dam/gnb/Departments/nr-rn/pdf/en/ForestsCrownLands/NewApproachesForPrivateWoodlots.pdf New Brunswick – A balanced management approach for New Brunswick's Crown Forest http://www2.gnb.ca/content/dam/gnb/Departments/nr-rn/pdf/en/ForestsCrownLands/BMAF.pdf Nova Scotia – Registry of Buyers annual report http://novascotia.ca/natr/forestry/registry/ann_report.asp</p>
Evidence Reviewed	NB SIC Survey, Applicable Provincial Legislation

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

	Indicator
2.4.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment (CPETS7c).
Finding	<p>The risk of illegal logging is negligible across Canada, regardless of the region. Strong legislation is in place in NB, NS, and PQ to ensure the scaling and transportation of logs and wood fibre is documented.</p> <p>Company contracts state that wood fibre does not originate from controversial sources i.e. illegal or unauthorized sources. Where a company harvests from Crown lands it is responsible to pay the Crown a predetermined stumpage rate.</p>
Means of Verification	<p>Evidence: http://www.sfmcanada.org/en/forest-products/legal-forest-products Company Risk Assessment Supplier assertions NB SIC Survey Transportation Certificates NS Registry of Buyers</p>
Evidence Reviewed	NB, NS, and PQ Risk Assessments, Supplier Assertions, NB SIC Survey, Transportation Certificate
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.5.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected (CPET S9).
Finding	<p>The Canadian Charter of Rights and Freedoms forms the first part of the Constitution Act (1982). The bill guarantees certain political rights of Canadian Citizens and civil rights to everyone in Canada. Aboriginal rights, like treaty rights, are recognized by Section 35 of the Constitution Act. Historically, Aboriginal rights have been achieved by way of treaty or land claims settlement rather than through legislation.</p> <p>The new Aboriginal Forestry Initiative (AFI) is the federal government’s approach to enhance aboriginal participation in Canada’s forest sector. The AFI is supported by Natural Resources Canada and Aboriginal Affairs and Northern Development Canada.</p>

	There is no evidence of violations of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forested area of this risk assessment according to Amnesty International.
Means of Verification	<p>Evidence:</p> <p>http://www.state.gov/g/drl/rls/hrrpt/2005/61719.htm http://www.nafaforestry.org/pdf/2015/First%20Nation-Held%20Forest%20Tenure%20Report%202015.pdf http://www.nrcan.gc.ca/forests/federal-programs/13125</p>
Evidence Reviewed	Review of Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.5.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.
Finding	<p>Each province has implemented Best Management Practices for Soil, Water, Ecological, Geological, Historical, Cultural, Wildlife, Biodiversity and Special Sites.</p> <p>New Brunswick BMP's are being supplied by the Regional Marketing Boards to the private woodlots. A supplier specific risk assessment is completed and included with every contract to determine whether a site specific inspection will be completed. All licences of Crown forests are required to follow BMPs, and these are outlined in their forest management plans. Forest management plans are reviewed by the Department of Natural Resources.</p> <p>Nova Scotia The Code of Forest Practice provides the principles for sustainable forest management. The guidelines are mandatory on Crown lands and are highly encouraged on private lands. The Registry of Buyers requires that buyers of primary forest products (exceeding 5,000 m3) must either complete silviculture programs or pay into the Sustainable Forestry Fund, which funds silviculture programs on private lands.</p> <p>Quebec The provincial government charges dues for timber harvested on Crown Lands (based on stumpage value). These are in turn used to pay for intensive silviculture programs. On Crown Land, the minister is responsible for preparing Forest Management plans and ensuring that BMPs are used.</p>
Means of Verification	Supporting Information: PEFC wood procurement processes Company risk assessments

	Wood producer information packages Silviculture plans on crown land Company specific utilization standards NB SIC Survey Provincial and Federal Legislation
Evidence Reviewed	NB, NS, and PQ Risk Assessments, NB SIC Survey
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.6.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.
Finding	89% of Canada’s land area is Crown land (Federal & Provincial), and 11% are privately owned. The Federal and provincial governments regulate the tenure & use rights and forest management practices on their land. Private land tenure is regulated through provincial acts and regulations (NB’s Land Titles Act, NS’s Land Registration Act, and the Land register of Quebec). Private land use rights are regulated by the Provincial acts and municipal bylaws (NB’s Community Planning Act, NS Municipal Government Act, PQ’s Act Respecting Land Use Planning and Development). The Biomass Producer has an Employee Safety Orientation, which includes a review of employee rights and health and safety regulations.
Means of Verification	Provincial and Federal Legislation, BP’s Safety Orientation program, EMS Manual
Evidence Reviewed	EMS Manual, BP’s Safety Orientation Program
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.

Finding	Rights to Freedom of Association and to collective bargaining are protected under the Canadian Charter of Rights.
Means of Verification	Supporting evidence: Provincial and Federal Employment Standard Acts and labour codes Canadian Charter of Rights
Evidence Reviewed	Review of Provincial and Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.
Finding	Human Resources staff implements company policies to ensure employment standards are complied with. Forest employment in Canada is regulated under federal and provincial labour codes to provide for a safe and healthy workplace, protect workers’ rights to organize and are consistent with the ILO provisions.
Means of Verification	Supporting evidence: Provincial and Federal Employment Standard Acts and labour codes. Company Human Resource Manuals and Policies e.g. Minimum Age Requirements http://www.state.gov/g/drl/rls/hrrpt/2005/61719.htm http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c_986/ http://www.cic.gc.ca/english/work/labour-standards.asp
Evidence Reviewed	Review of Provincial and Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.3	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	Forest employment in Canada is regulated under federal and provincial labour codes which prohibit child labour, provide for a safe and healthy workplace, protect workers’ rights to organize and are consistent with the ILO provisions. There is no evidence of child labour violations.

Means of Verification	Supporting evidence: Provincial and Federal Employment Standard Acts and labour codes Company Human Resource Manuals and Policies e.g. Minimum Age Requirements http://www.state.gov/g/drl/rls/hrrpt/2005/61719.htm http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C., c. 986/ http://www.cic.gc.ca/english/work/labour-standards.asp
Evidence Reviewed	Review of Provincial & Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.4	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.
Finding	Forest employment in Canada is regulated under federal and provincial labour codes which prohibit child labour, provide for a safe and healthy workplace, protect workers' rights to organize and are consistent with the ILO provisions. There is also no evidence of discrimination violations between the company's and their workers.
Means of Verification	Supporting evidence: Provincial and Federal Employment Standard Acts and labour codes Company Human Resource Manuals and Policies e.g. Anti discrimination Policies http://www.state.gov/g/drl/rls/hrrpt/2005/61719.htm http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C., c. 986/ http://www.cic.gc.ca/english/work/labour-standards.asp
Evidence Reviewed	Review of Provincial and Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.

Finding	Forest employment in Canada is regulated under federal and provincial labour codes. Forest workers are protected by either federal (~10%) or provincial (~90%) laws. Employment standard laws protect the rights of workers in relation to work hours, pay rate, vacation, holidays, breaks, leaves of absences or termination.
Means of Verification	Supporting evidence: Provincial and Federal Employment Standard Acts and labour codes http://www.state.gov/g/drl/rls/hrrpt/2005/61719.htm http://www.labour.gc.ca/eng/standards_equity/ http://laws.justice.gc.ca/eng/regulations/C.R.C.,_c._986/ http://www.cic.gc.ca/english/work/labour-standards.asp
Evidence Reviewed	Review of Provincial and Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.8.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).
Finding	Provincial occupational health and safety regulations are in place in PQ, NB & NS that ensure the health and safety of forest workers.
Means of Verification	Occupational Health and Safety Regulations
Evidence Reviewed	Company health and safety program, Review of Provincial and Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.9.1	Biomass is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.
Finding	Wood fibre is not sourced from wetlands, peatlands, riparian reserve zones or protected areas. All harvesting is regulated by provincial forestry regulations which have stringent controls to ensure the protection of areas deemed to have high carbon stocks.
Means of Verification	Provincial and Federal Legislations

Evidence Reviewed	Review of Provincial and Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.9.2	Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.
Finding	Reforestation is mandated for all crown lands within each of the provinces and the company’s supply areas.
Means of Verification	Evidence: NB SIC Survey, Acts & Regulations, Best Management Practices
Evidence Reviewed	NB SIC Survey, Review of Provincial and Federal Legislation, Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	The Food and Agricultural Organization of the United Nations summarizes that no GMO trees are used commercially in Canada. Genetically engineered forest trees are not approved for commercial plantings in Canada. Federal Food Inspection Agency confirms that confined field trials of Plants with Novel Traits are limited to scientific research.
Means of Verification	Federal Legislation
Evidence Reviewed	Review of Federal Legislation
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	