

Supply Base Report Vanderwell Contractors (1971) Ltd.

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: Vanderwell Contractors (1971) Ltd.
Producer location: 695 West Mitsue Industrial Road, Box 415, Slave Lake, Alberta, T0G 2A0, Canada
Geographic position: 114-35-05.56 W, 55-16-06.21 N
Primary contact: Mike Haire, Woodlands Manager
 Box 415 Slave Lake AB, T0G 2A0
 Tel. 780-805-3060 email: m.haire@vanderwell.com
Company website: www.vanderwell.com
Date report finalised: 03/12/2018
Close of last CB audit: December 12th, Slave Lake, Alberta, Canada
Name of CB: NEPCon
Translations from English: No
SBP Standard(s) used: Standard 2, 4 and 5
Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>
SBP Endorsed Regional Risk Assessment: Not Applicable
Weblink to SBE on Company website: Not Applicable

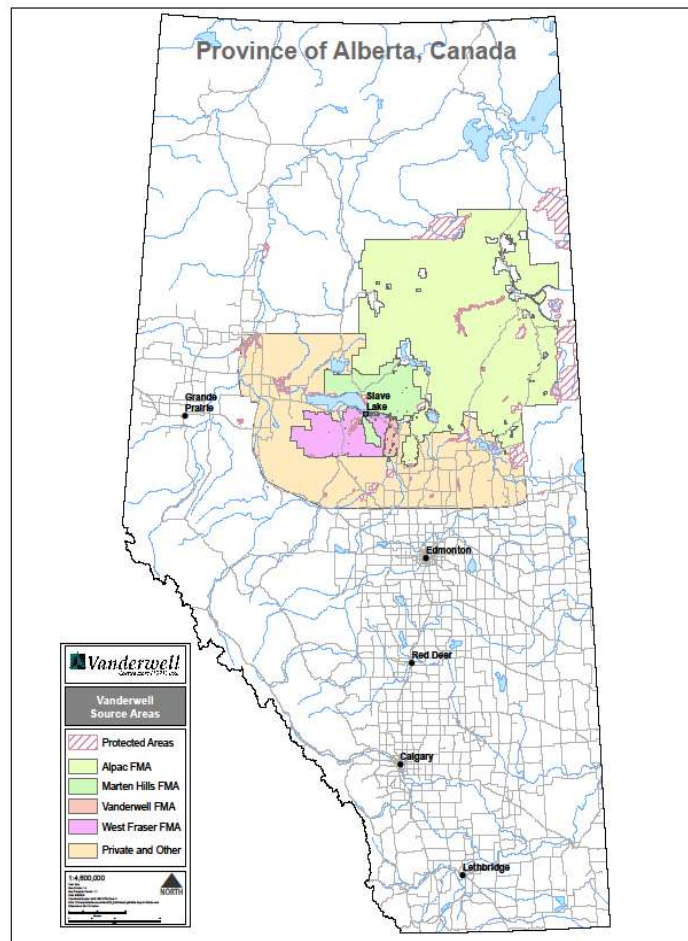
Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

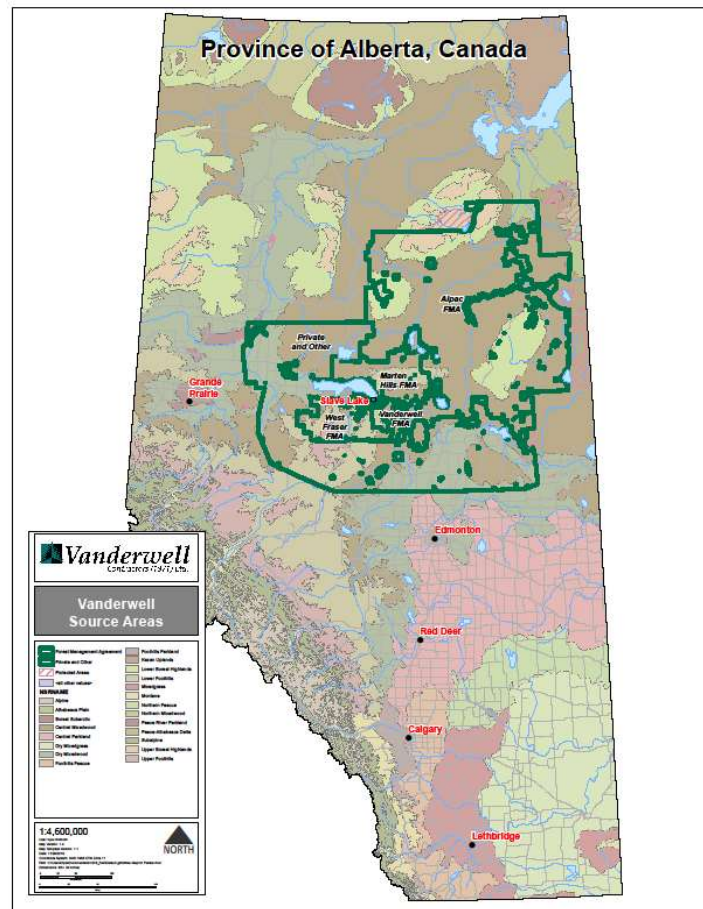
The supply base for the companies sawmill operations is within the province of Alberta, Canada. Generally, all required logs for the sawmill come from the Slave Lake region of Alberta located in the North Central part of the province which is in the boreal forest. The majority of the forest is government owned crown land that is managed by the forest companies operating in the region under long term tenure agreements. There are minor amounts of forested private land within the region as well that form a portion of the supply base. The main forest based industry operating on crown land within the forest is the local forest industry. The other main industry that is very active within the forest is the Oil and Gas industry in both development and ongoing operations of oil and gas fields. These two industries are the main industries within the region along with agriculture, tourism and other service industries.

Complete Supply Base Region, Vanderwell Contractors (1971) Ltd.



The supply base is part of the boreal forest where it consists of conifer, conifer/deciduous mixedwood and deciduous dominated stands. The commercial tree species present within the forest is White Spruce (*Picea glauca*), Black Spruce (*Picea mariana*), Lodgepole Pine (*Pinus contorta*), Jack Pine (*Pinus banksiana*), Balsam Fir (*Abies balsamia*), Trembling Aspen (*Populus tremuloides*), Balsam Poplar (*Populus balsamifera*) and White Birch (*Betula papyrifera*). There is no presence of any tree species listed on CITES. Caribou are listed as an IUCN species and is present within some of the companies supply region. Vanderwell follows all applicable provincial and federal laws for operating within caribou ranges. All crown forest land within this region of Alberta falls under a Detailed Forest Management Plan and key component of all Detailed Forest Management Plans (DFMP) is to address wildlife habitat in both the short and long term at the landscape level. As well, the company is currently working with the Government of Alberta to develop Caribou range plans to meet the Federal Species at Risk Legislation. Once completed all DFMP's are required to align with these new range plans that address caribou habitat targets over time.

Complete Supply Region with Ecoregions, Vanderwell Contractors (1971) Ltd.



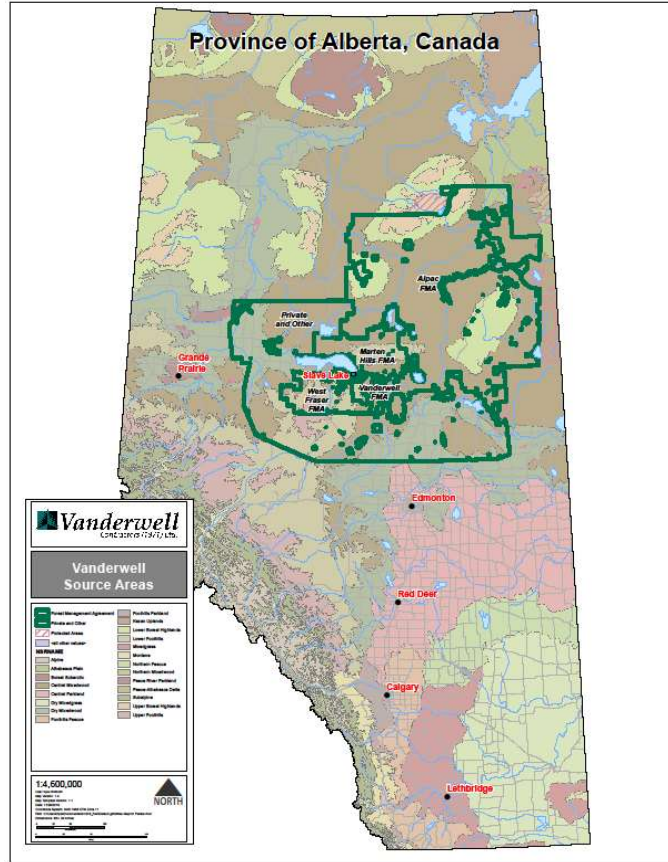
As a requirement of tenure agreements with the Government of Alberta all Forest Management Agreement holders must develop long term Forest Management Plans for the specific FMA's. These management plans are required to meet the government standards and provide for a sustainable harvest level for each FMA that also address other non-timber values etc. All management plans are monitored on a periodic basis coupled

with a new management plan developed every 10 years for the FMA. This process helps to ensure the harvesting and management practices are sustainable in both the short and long term. As part of government regulation all companies operating on crown land are required to reforest harvest areas within 2 years of harvest coupled with regulated monitoring and reporting of growth at specified intervals. This forms part of the continual improvement of sustainable forest management to ensure growth rates used in long term forecasting are being achieved on an ongoing basis.

The companies sawmill only utilizes conifer (Spruce, Pine and Fir) logs to manufacture dimensional lumber. The majority of the logs, approximately 95%, that are sourced for the sawmill come from either the companies operations which are certified to the SFI Forest Management Standard or purchased logs from 2 other major companies operations that come from either SFI or FSC certified forests. There are minor amounts purchased, approximately 5%, that come from small operators on crown land, private land owners and other industrial activities. The number of these suppliers varies greatly from year to year but range from 5-10 different suppliers. The company is also certified to the SFI Fibre Sourcing Standard along with PEFC Chain of Custody. Within our PEFC CoC system 80% of the logs are considered SFI certified with 15% being uncertified from an FSC managed forest and approximately 5% uncertified from other sources. 100% of the logs are considered SBP compliant or SBP controlled because they are either certified or controlled and fall within the companies SFI Fibre Sourcing and PEFC certification.

The pellet plant only consumes residual material in the form of sawdust and shavings from the companies sawmill. No other sawmill residuals are sourced for the manufacture of pellets nor is there any processing of logs specifically for the manufacture of pellets. All the residual material is considered secondary feedstock for the production of biomass (white wood pellets).

Complete Supply Region with Ecoregions, Vanderwell Contractors (1971) Ltd.



2.2 Actions taken to promote certification amongst feedstock supplier

All major suppliers of logs are forest management certified to either SFI or FSC. The minor suppliers that are not certified to a forest management standard are provided information related to BMP’s etc. when entering into a log purchase agreement. The majority of these small entities or land owners will not work toward forest management certification because they are not required to manage the forest they are working in. The company does not buy feedstock directly related to the production of pellets. The only material that is purchased is in the form of logs for the sawmill which is why the forest management certifications are promoted.

2.3 Final harvest sampling programme

Not Applicable for the pellet mill, there are no logs utilized in the production of pellets. Pellets are only manufactured with secondary feedstock in the form of sawdust and shavings.

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

2.5 Quantification of the Supply Base

Provide metrics for the Supply Base including the following. Where estimates are provided these shall be justified.

Supply Base

- a. Total Supply Base area (ha): 7,435,817 ha (All ha's listed is considered the Gross Ha's of the landbase)
- b. Tenure by type (ha): 7,385,817 ha Crown Land and 50,000 ha Private Land. There are no known or published amounts of forested private land in the region. The 50,000 ha is an estimate of the potential area.
- c. Forest by type (ha): 7,435,817 ha boreal
- d. Forest by management type (ha): 7,435,817 managed natural
- e. Certified forest by scheme (ha): 1,473,063 ha SFI Certified and 5,912,754 ha FSC Certified

Feedstock

- f. Total volume of Feedstock: tonnes or m³ – approximately 31,000 tonnes (Oct. 1st 17- Sept. 30th 18 Fiscal Final)
 - g. Volume of primary feedstock: tonnes or m³ - No Primary Feedstock used in the production of Pellets
 - h. List percentage of primary feedstock (g), by the following categories. – Forest Management Schemes: The percentages shown below relate to volume of logs that go to the sawmill for lumber production. Pellets are manufactured from the secondary feedstock in the form of sawdust and shavings
 - 95% to an SBP-approved Forest Management Scheme
 - 5% Not to an SBP-approved Forest Management Scheme
 - i. List all species in primary feedstock, including scientific name: No volume from Primary Forest
 - j. Volume of primary feedstock from primary forest: No volume from Primary Forest
 - k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: Not Applicable
 - l. Volume of secondary feedstock: specify origin and type – 29,890 Tonnes in the form of sawdust and shavings from the sawmill
 - m. Volume of tertiary feedstock: specify origin and composition No Tertiary feedstock used
- * Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information.

Bands for (f) and (g) are:

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

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

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

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

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

3 Requirement for a Supply Base Evaluation

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

Not applicable.

4 Supply Base Evaluation

4.1 Scope

NA.

4.2 Justification

NA.

4.3 Results of Risk Assessment

NA.

4.4 Results of Supplier Verification Programme

NA.

4.5 Conclusion

NA.

5 Supply Base Evaluation Process

NA

6 Stakeholder Consultation

NA.

6.1 Response to stakeholder comments

NA

7 Overview of Initial Assessment of Risk

NA

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

NA.

8.2 Site visits

NA.

8.3 Conclusions from the Supplier Verification Programme

NA.

9 Mitigation Measures

9.1 Mitigation measures

NA.

9.2 Monitoring and outcomes

NA.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

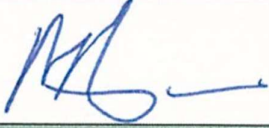
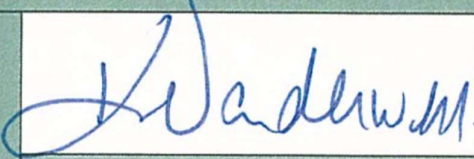

The Supply Base Report was independently peer-reviewed by Nate Ryant, RPF from NMR Resource Management Ltd, a consultant to the forest and pellet industry. Mr. Ryant is a registered professional forester and forestry consultant with 18 years of forest certification experience and 30 years of work experience in the forest industry of throughout Canada.

Mr. Ryant also assisted Vanderwell Contractors (1971) Ltd. In the development of Vanderwell's certification systems and provides annual internal audits to SFI and PEFC standards. The 2018 internal audit also audited components of the SBP standard.

11.2 Public or additional reviews

The final supply base report will be posted on the company website www.vanderwell.com for public review.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:		Woodlands Manager	03/12/2018
	Name: Mike Haire	Title: Woodlands Manager	Date: 03/12/2018
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:		General Manager	03/12/2018
	Name: Ken Vanderwell	Title	Date
Report approved by:		Financial Controller	03/12/2018
	Name: Michael Therian	Title	Date
Report approved by:			
	Name	Title	Date

13 Updates

Note: Updates should be provided in the form of additional pages, either published separately or added to the original public summary report.

13.1 Significant changes in the Supply Base

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

13.2 Effectiveness of previous mitigation measures

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

13.3 New risk ratings and mitigation measures

Provide an update of risk ratings for all relevant Indicators.

13.4 Actual figures for feedstock over the previous 12 months

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

13.5 Projected figures for feedstock over the next 12 months

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

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

Bands are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³

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