



Supply Base Report: Vanderwell Contractors (1971) Ltd.

Second Surveillance Audit

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.3

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019; re-published 3 April 2020

© Copyright Sustainable Biomass Program Limited 2020

Contents

1	Overview	1
2	Description of the Supply Base	2
2.1	General description	2
2.2	Actions taken to promote certification amongst feedstock supplier	5
2.3	Final harvest sampling programme	5
2.4	Flow diagram of feedstock inputs showing feedstock type [optional]	6
2.5	Quantification of the Supply Base	6
3	Requirement for a Supply Base Evaluation	8
4	Supply Base Evaluation	9
4.1	Scope	9
4.2	Justification	9
4.3	Results of Risk Assessment.....	9
4.4	Results of Supplier Verification Programme	9
4.5	Conclusion	9
5	Supply Base Evaluation Process	10
6	Stakeholder Consultation	11
6.1	Response to stakeholder comments	11
7	Overview of Initial Assessment of Risk	12
8	Supplier Verification Programme	13
8.1	Description of the Supplier Verification Programme	13
8.2	Site visits	13
8.3	Conclusions from the Supplier Verification Programme.....	13
9	Mitigation Measures	14
9.1	Mitigation measures	14
9.2	Monitoring and outcomes	14
10	Detailed Findings for Indicators	15
11	Review of Report	16
11.1	Peer review.....	16
11.2	Public or additional reviews.....	16
12	Approval of Report	17
13	Updates	18
13.1	Significant changes in the Supply Base	18
13.2	Effectiveness of previous mitigation measures	18
13.3	New risk ratings and mitigation measures.....	18

13.4 Actual figures for feedstock over the previous 12 months 18

13.5 Projected figures for feedstock over the next 12 months 19

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, Box 415, Slave Lake AB T0G 2A0, 780-805-3060 or mike.haire@vanderwell.com

Company website: www.vanderwell.com

Date report finalised: 13/10/2020

Close of last CB audit: 03/12/2018 Slave Lake AB.

Name of CB: NEPcon

Translations from English: No

SBP Standard(s) used: Standard 2,4 and 5

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

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: www.vanderwell.com/home/responsibility/#1544033612451-198e1db1-fd6c

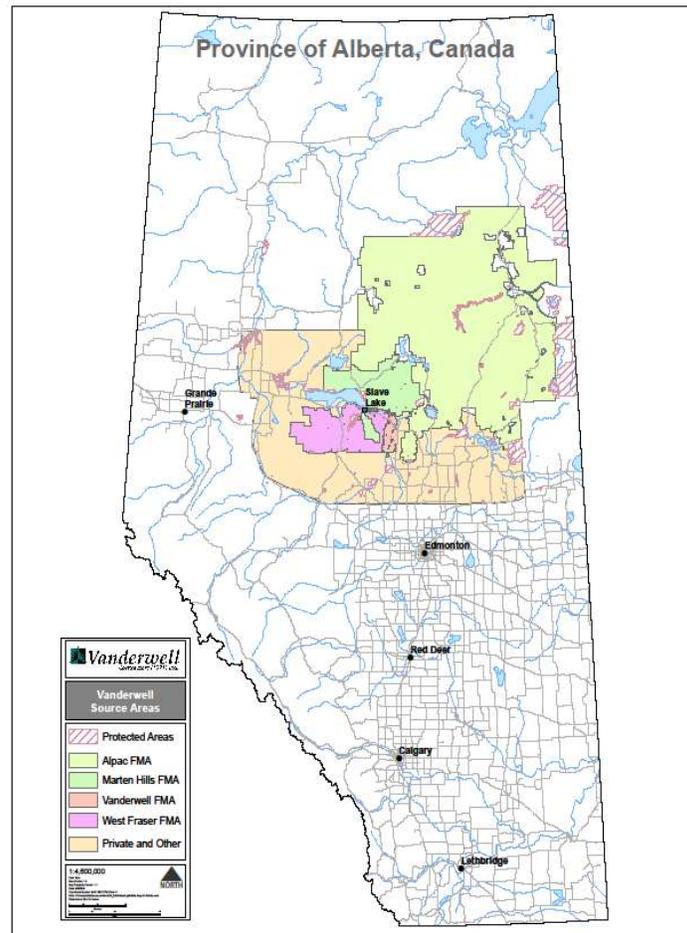
Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>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

2 Description of the Supply Base

2.1 General description

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.

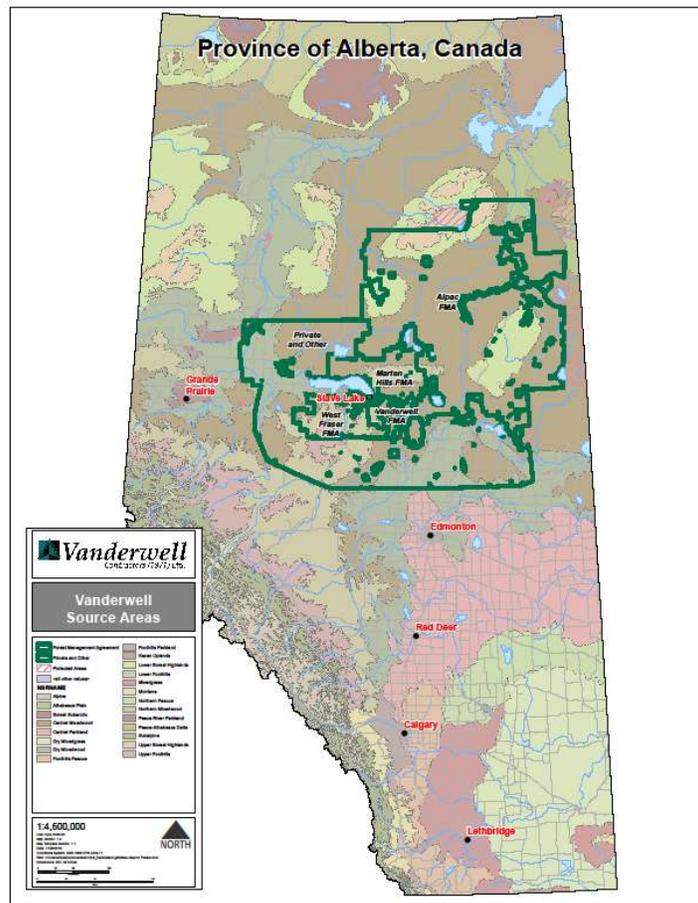
Complete Supply Base Region, Vanderwell Contractors (1971) Ltd.



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.

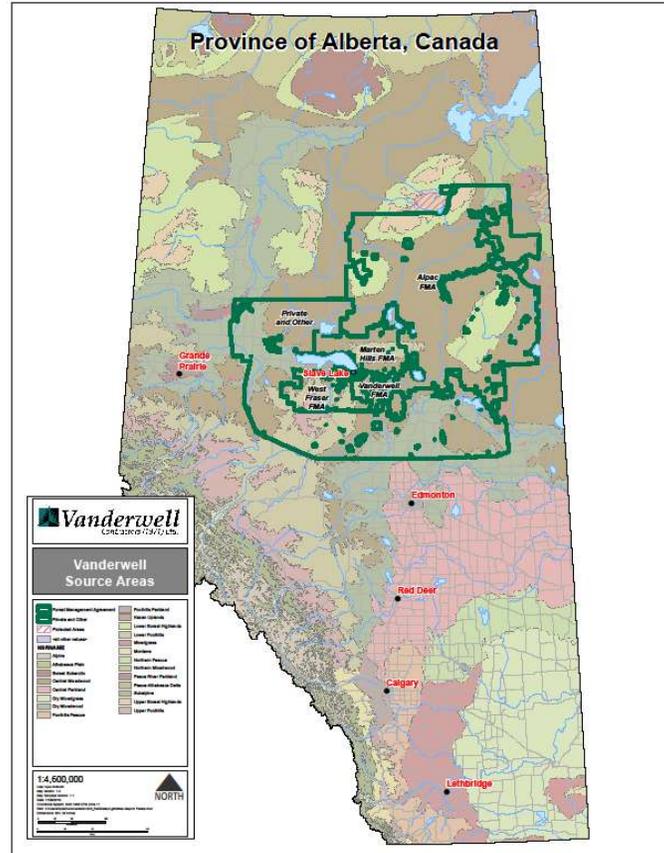
Complete Supply Region with Ecoregions, Vanderwell Contractors (1971) Ltd.



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).



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]

Insert flow diagram.

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. See b. above
- d. Forest by type (ha): 7,435,817 ha boreal
- e. Forest by management type (ha): 7,435,817 ha managed natural
- f. Certified forest by scheme (ha): 1,473,063 ha SFI Certified and 5,912,754 ha FSC Certified

Feedstock

- g. Total volume of Feedstock: 37,000 Tonnes
 - h. Volume of primary feedstock: tonnes or m³ – No Primary Feedstock used in the production of Pellets
 - i. List percentage of primary feedstock (g), 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
 - j. List all species in primary feedstock, including scientific name *No volume from Primary Forest*
 - k. Volume of primary feedstock from primary forest *No volume from Primary Forest*
 - l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: *Not Applicable*
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
 - m. Volume of secondary feedstock: specify origin and type *32,597 Tonnes in the form of sawdust and shavings from the sawmill*
 - n. Volume of tertiary feedstock: specify origin and composition *No Tertiary Feedstock utilized*
- * 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"/>	<input checked="" type="checkbox"/>

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

Briefly describe the results of the Risk Assessment. This represents the initial evaluation of risk done prior to the SVP and prior to any mitigation measures.

This section provides an opportunity to detail how the BP's management system is effective in reducing risk.

List the result for each Indicator in Table 1.

Where multiple sub-scopes are involved, prepare a separate overview table for each sub-scope showing the initial risk ratings for each Indicator.

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

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

This specific Supply Base Report was not peer reviewed as it is only an updated version of the original that was used during the certification audit in 2018. The original Supply Base Report was 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

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:		Woodlands Manager	Oct 12/20
	Mike Haire	Woodlands Manager	Oct. 12, 2020
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:			Oct 13/20
	Ken Vanderwell	President and CEO	Oct. 13, 2020
Report approved by:			Oct 13, 2020
	Michael Therrian	Financial Controller	Oct. 13, 2020
Report approved by:	[name]	[title]	[date]
	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

There has been no significant changes to the Supply Base.

13.2 Effectiveness of previous mitigation measures

No mitigation measures required.

13.3 New risk ratings and mitigation measures

No Applicable.

13.4 Actual figures for feedstock over the previous 12 months

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. See b. above
- d. Forest by type (ha): 7,435,817 ha boreal
- e. Forest by management type (ha): 7,435,817 ha managed natural
- f. Certified forest by scheme (ha): 1,473,063 ha SFI Certified and 5,912,754 ha FSC Certified

Feedstock

- g. Total volume of Feedstock: 37,000 Tonnes
- h. Volume of primary feedstock: tonnes or m³ – No Primary Feedstock used in the production of Pellets
- i. List percentage of primary feedstock (g), 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
- j. List all species in primary feedstock, including scientific name *No volume from Primary Forest*
- k. Volume of primary feedstock from primary forest *No volume from Primary Forest*
- l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: *Not Applicable*
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme

- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
 - m. Volume of secondary feedstock: specify origin and type *32,597 Tonnes in the form of sawdust and shavings from the sawmill*
 - n. Volume of tertiary feedstock: specify origin and composition *No Tertiary Feedstock utilized*
- * 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.

13.5 Projected figures for feedstock over the next 12 months

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. See b. above
- d. Forest by type (ha): *7,435,817 ha boreal*
- e. Forest by management type (ha): *7,435,817 ha managed natural*
- f. Certified forest by scheme (ha): *1,473,063 ha SFI Certified and 5,912,754 ha FSC Certified*

Feedstock

- g. Total volume of Feedstock: *40,000 Tonnes*
- h. Volume of primary feedstock: tonnes or m³ – *No Primary Feedstock used in the production of Pellets*
- i. List percentage of primary feedstock (g), 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*
- j. List all species in primary feedstock, including scientific name *No volume from Primary Forest*
- k. Volume of primary feedstock from primary forest *No volume from Primary Forest*
- l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: *Not Applicable*
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
- m. Volume of secondary feedstock: specify origin and type *35,000 Tonnes in the form of sawdust and shavings from the sawmill*
- n. Volume of tertiary feedstock: specify origin and composition *No Tertiary Feedstock utilized*