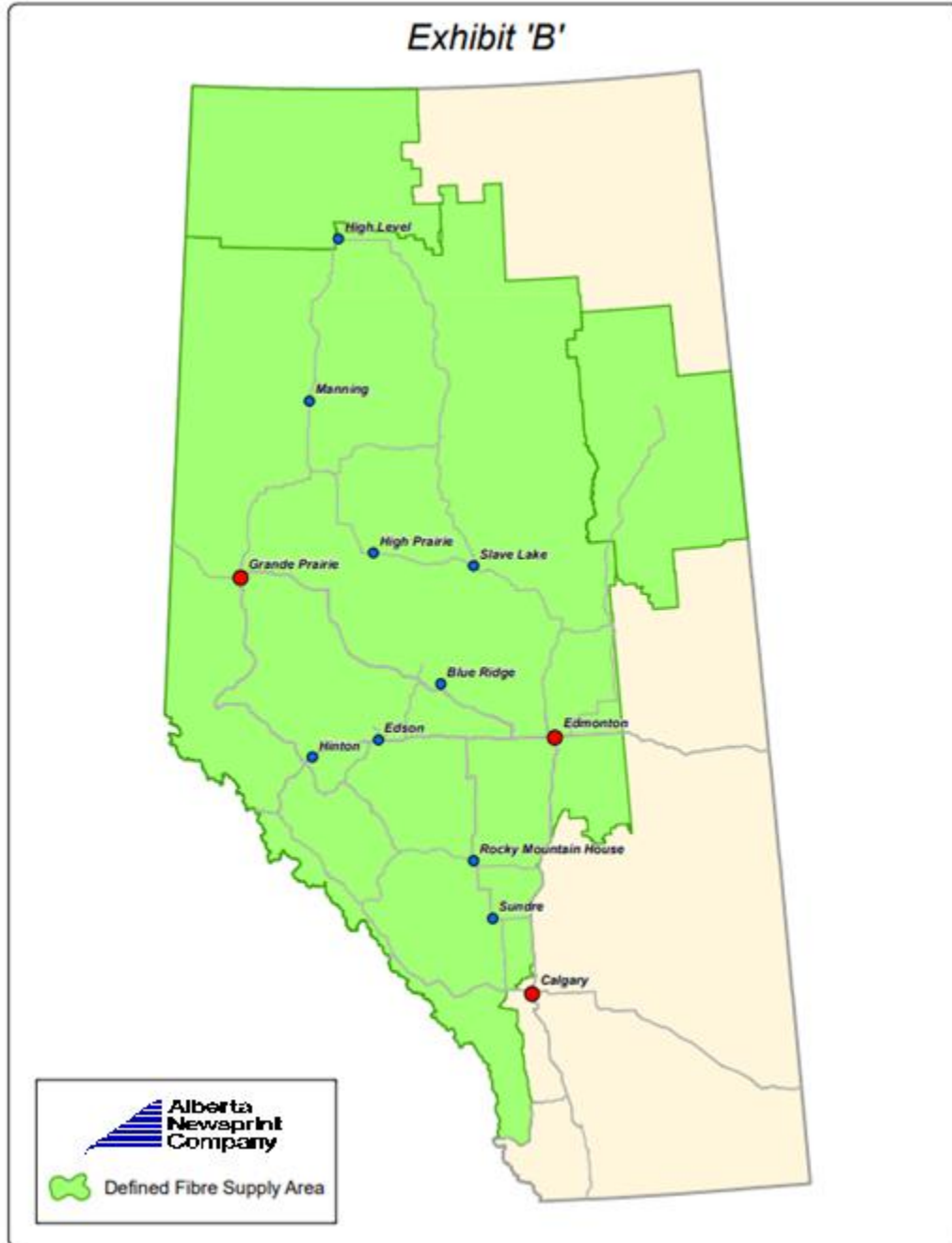


# ANC - Due Diligence System Public Summary

## 1- Description of Supplier Structure and Supply Area

Number of suppliers	Supplier Type	Number of Sub-suppliers	Average Length of supply chain	Risk of Mixing
1	primary	25	2	No

### FIBRE SUPPLY AREA WITHIN ALBERTA, CANADA



## 2. Description of the supply area and respective risk designation(s)

Sourcing Area	CW Category	Risk Designation	Type of Risk Assessment	Reference of risk assessment
Alberta Canada	Category 1	Low	FSC Canada National Risk Assessment	FSC-NRA-CA V2.1
	Category 2	Specified risk		
	Category 3	Specified risk		
	Category 4	Specified risk		
	Category 5	Low		

## 3. The Organization's assessment of risk for mixing in the supply chain:

Supply Chain/Sourcing Area	Risk of Mixing with non-eligible inputs in the supply chains/during transport, processing and storage	Risk Level
Alberta ,Canada	<p>The organization sources from 1 single supplier, who has approximately 25 sub-suppliers which consist of land-owners and sawmills. The average length of the supply chain is therefore 2.</p> <p>There is one fibre supply chain considered under the DDS: co-product fibre obtained from sawmills under a Fibre Supply Agreement.</p> <p><b>Fibre Sourced Through a Fibre Supply Agreement</b> All co-product fibre purchases are done under a fiber supply agreement which satisfies the information requirements of section 2 in the CW Standard. Most fibre is received as residual fibre from 3<sup>rd</sup> party primary processing facilities, but occasionally is obtained from a 3<sup>rd</sup> party whole log chipping operation.</p> <p>The fibre supply agreement confirms that the fibre is sourced from within the fibre supply area identified in the risk assessment and allows for the FSC-accredited certification body to request additional information as needed to verify the origin. This is facilitated through a graphic illustration of the fibre supply area in the map above which depicts the supplier mills in Alberta.</p> <p>All co-product fibre deliveries are accompanied by load slips bearing a unique load identification number</p>	No risk

	<p>that confirm the load origin and these sources are routinely visited and verified by ANC fibre procurement staff.</p> <p>An added control is that the Fibre Supply Manager will periodically assess the origin information provided by the supplier to confirm that</p> <p>a) The supplied species are commercially harvested in the declared supply area (and accompanied by a CITES certificate, if required);</p> <p>b) The type and quality of the supplied material are commercially available from the declared supply area; and</p> <p>c) The distance and means of transportation to the to the supplier site (when the supplier is purchasing co-product inputs) are consistent with the declared supply area and are economically viable.</p> <p>All fiber received is controlled by the organization thus there is no risk of mixing with ineligible inputs.</p>	
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## 5- Risk Assessment and Control Measures

The FSC Canada National Risk Assessment **FSC-NRA-CA V2.1** has been used.

## 6- Specified Risk and Control Measures

Controlled Wood Indicator	Selected Control Measure
2.3 The rights of Indigenous and Traditional Peoples Upheld	1
<p><b>Control Measure #1:</b> Indigenous Peoples with legal and/or customary rights within the Forest Management Unit do not oppose the Forest Management Plan.</p>	
3.1 HCV 1: Species Diversity	8
<p><b>Control Measure #8:</b> 2. Evidence demonstrates that forests in the sourcing area have a management plan that contributes to the recovery of woodland caribou critical habitat, as identified in the Federal Recovery Strategy. The management plan identifies and implements: a) Best Management Practices (BMPs) that reduce disturbance to and restore critical habitat including, but not limited to: • access management (e.g. road decommissioning, integrated access plans, restoration of linear features); OR</p>	

<ul style="list-style-type: none"> <li>• aggregate harvesting (i.e. harvest scheduling to minimize disturbance footprint).</li> </ul> <p>OR</p> <p>b) Harvest deferrals, set asides, and/or protection areas within areas of critical habitat*, where forest operations are not permitted.</p> <p>Rationale is provided as to how such actions will contribute to reducing the level of disturbance over time in critical habitat, in support of meeting the threshold requirements in the Federal Recovery Strategy.</p>	
<p>3.2 HCV 2: Landscape-level ecosystems and mosaics.</p>	<p>2 and 5</p>
<p><b>Control Measure #2:</b> Evidence demonstrates that a minimum of 80% of the IFL is not threatened* by forest management operations in the long-term*.</p> <p>AND</p> <p>The cumulative impacts of forest harvesting will not reduce the IFL to below 50,000 ha.</p> <p><b>Control Measure #5:</b> Forest operations do not reduce IFLs below 50,000ha, AND all meet applicable options below:</p> <ul style="list-style-type: none"> <li>a) For an IFL between 50,000ha and 62,500, cumulative impacts forest operations do not affect more than 10% of the IFL. b) For an IFL between 62,501 and 75,000 ha, cumulative impacts forest operations do not affect more than 20% of the IFL.</li> <li>b) For an IFL between 75,001 and 200,000 ha, cumulative impacts forest operations do not affect more than 30% of the IFL.</li> <li>c) For an IFL between 200,001 and 500,000 ha, cumulative impacts forest operations do not affect more than 35% of the IFL.</li> <li>d) For an IFL larger than 500,001 ha, cumulative impacts forest operations do not affect more than 45% of the IFL.</li> </ul>	
<p>4.1 Conversion of natural forests to plantations or non-forest use in the area under assessment is less than 0.02%, or 5000 hectares average net annual loss for the past 5 years (whichever is less). [Specified risk applies to the Boreal Plains ecozone only]</p>	<p>1, 2 and 3</p>
<p><b>Control Measure #1:</b> Evidence demonstrates that supplied material does not originate from areas converted to non-forest.</p> <p><b>Control Measure #2:</b> Evidence demonstrates that supplied material originates from acceptable sources of conversion, including:</p> <ul style="list-style-type: none"> <li>• Conversion that results in conservation benefits (e.g. ecological restoration, species at risk protection), and</li> <li>• Publicly approved changes in zoning within urban areas</li> </ul> <p><b>Control Measure #3:</b> The Organization demonstrates support for existing integrated land management processes designed to reduce the cumulative impact of changes to non-forest</p>	

landscapes.

- Documented support promoting integrated land management processes that aim to reduce the cumulative impact of conversion of forests to non-forest uses;
- Participation in integrated land management discussions; and
- Working within their sphere of influence to enact mitigation strategies designed to reduce the impact of conversion to non-forest uses.

## **7- Complaints Process**

Complaints regarding the Alberta Newsprint Company controlled wood certification can be addressed to:

James Norman

Fibre Supply Superintendent

Phone: T (780) 706-8242

Email: [jamesn@albertanewsprint.com](mailto:jamesn@albertanewsprint.com)

Alberta Newsprint Company will :

- Within two (2) weeks of receiving the complaint provide an initial response that notifies the complainant that the complaint has been received and informs the stakeholder of the complaints procedure;
- Conduct a preliminary assessment to determine whether evidence provided in the complaint is or is not substantial, by assessing the evidence provide against the risk of using material from unacceptable sources;
- Engage in dialogue with the complainant(s) that aims to solve complaints assessed as being substantial before further action is taken;
- ANC will forward substantial complaints to the certification body and FSC Canada within two (2) weeks of receipt of the complaint along with information on the steps to be taken to resolve the complaint, as well as how a precautionary approach will be used;
- Employ a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending;
- Investigate a complaint assessed as substantial within two (2) months of its receipt and

determine corrective actions to be taken by suppliers and the means to enforce its implementation by a supplier. If a corrective action cannot be determined and/ or enforced the relevant material and/ or suppliers shall be excluded from the ANC controlled wood supply chain;

- Conduct follow up to verify that corrective action has been taken by suppliers and it is effective;
  - Exclude the relevant material and suppliers from the ANC controlled wood supply chain if no corrective action is taken;
  - Notify the complainant, the certification body and FSC Canada of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondence; and
- Record and file all complaints and actions taken.

## **8 - Development of this DDS and supporting documentation**

The Company employed the services of a consultant to assist it in building a DDS that includes detailed documentation on the rationale and control measures implemented to mitigate the risks associated with the specified risk indicators identified in the Canadian FSC NRA which are applicable to the Company's fiber supply area. The detailed documentation on the rationale and control measures have been built into province-specific support documents to the DDS Summary (refer to [ANC-DDS-2023](#)) which have been developed and will be periodically updated as new information becomes available.

## **9- Review of DDS**

The Company shall review this DDS for relevance, effectiveness and adequacy at least annually.