



Supply Base Report:

La Granaudière

Main (Initial) Audit

www.sbp-cert.org



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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

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Version 1.1 published 22 February 2016

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1 Overview

Producer name: La Granaudière (9301-9826 Québec Inc.) NEQ : 1170040761

Producer location: Head office: 631 rue Brassard, St-Michel-des-saints,
Québec, Canada J0K 3B0

Manufacturing plant : 1801 ch. Manawan, St-Michel-des-saints,
Québec, Canada J0K 3B0

Geographic position: Lat. 46°73'17.45"N Long.; 73°96'70.02"W

Primary contact: Martin Laliberté - CFO
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Phone: 450 559-5667
e-mail address: martin.laliberte@lagranaudiere.com

Secondary contact: Alexandre Samuel - Certification coordinator
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Phone: 450-271-9210
e-mail address: alexandre.samuel@lagranaudiere.com

Tertiary contact: Yves Crits - CEO
720, rue des Aulnaies, St-Michel-des-Saints, QC, Canada J0K 3B0
Phone: 514-291-7254
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Company website: www.lagranaudiere.com

Date report finalised: 21/Aug./2020

Close of last CB audit: Main audit (Initial) in progress

Name of CB: NEPCon

Translations from English: No

SBP Standard(s) used: Standard 2 version 1.0,
Standard 4 version 1.0,
Standard 5 version 1.0,

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.lagranaudiere.com

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

La Granaudière is a pellet mill located in St-Michel-Des-Saints, 100 km North of Joliette in the Lanaudiere region, Province of Quebec, Canada (see figure 1). Primary feedstock is from nearby public forests. As shown in the table below, the mill is in the vicinity of other facilities which could potentially supply secondary feedstock.

Forest Industry in the Province of Québec compared to scoped regions					
Mill category	Québec - mills	Québec - jobs	Lanaudière*	Laurentides*	Outaouais*
Pulp and paper	23	21343			3
Sawmilling products	192	10167	8	15	14
Veneer and plywood	10	5216		2	
Particle boards and OSB	11	no data		1	1
Turned and shaped wood	4	no data		2	1
Cogeneration and pellets	37	no data	1	1	4
Others	5	23175			1
Total	282	59901	9	21	24
*amount of mills only	Ref: Ministère des Forêts, de la Faune et des Parcs, Ressources et industries forestières - Portrait statistique				

In the upcoming year, 100% of La Granaudière wood supply will be primary feedstock either FSC or SFI certified or controlled sources. Forest management units (FMU) on public land part of La Granaudière supply base are all certified with the exception of FMU 61-51 which is not certified and FMU 64-52 with partial certification. All feedstock will be considered SBP Compliant Biomass and controlled with appropriate documentation.

The primary feedstock of La Granaudière is sourced from public lands managed under The Sustainable Forest Development Act (SFDA) of Quebec and certified by two certification programs; the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI).

Scope of forest layouts per region for "La Granaudière"		
Region	Layout units	certification
Lanaudière	62-71	FSC
Laurentides	61-51, 64-52, 64-71	FSC & SFI
Outaouais	71-51, 71-52, 73-51, 73-52, 74-51, 72-51	SFI & FSC

La Granaudière Inc. Supply Base Area

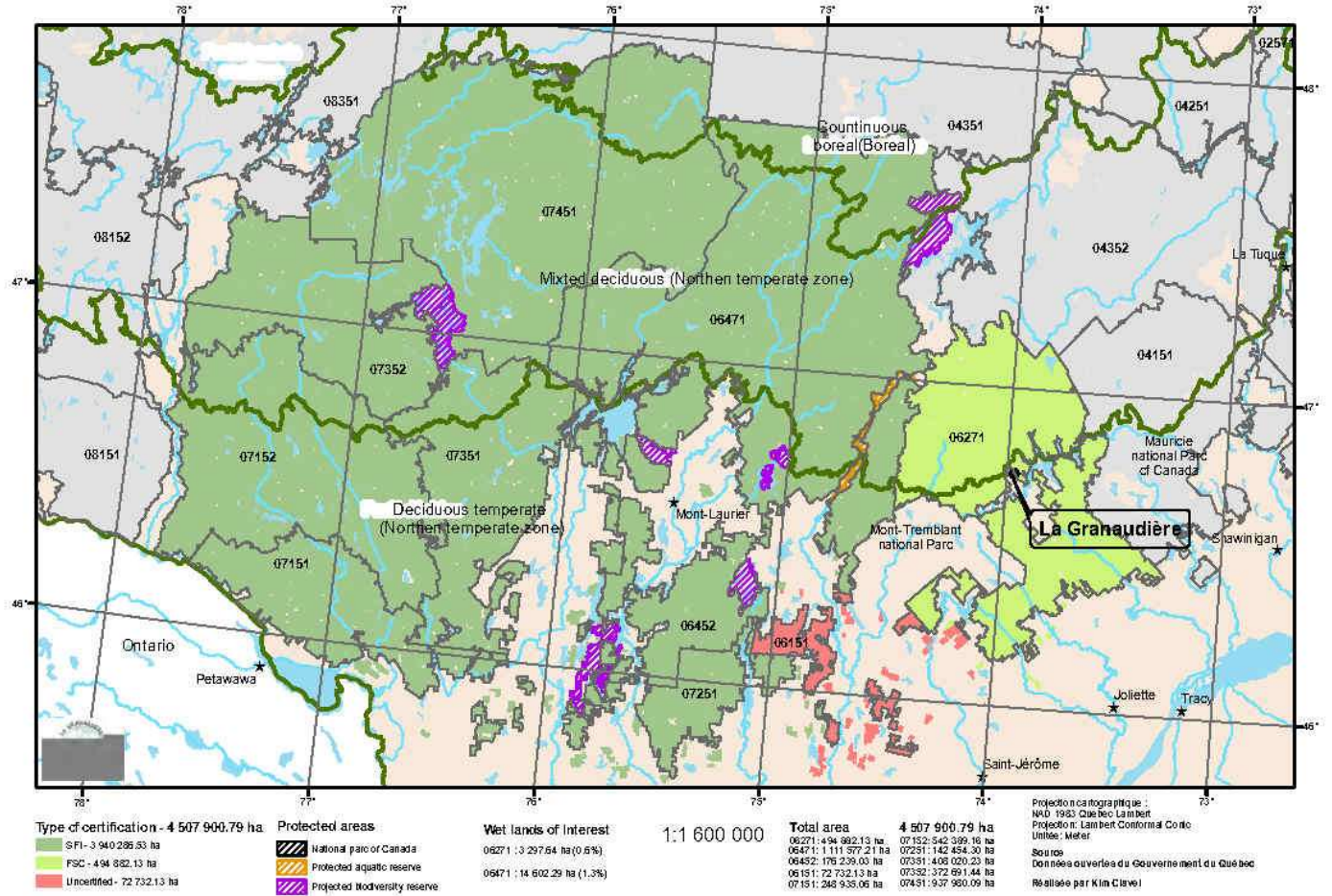


Figure 1 - La Granaudière Supply Base Area

Our feedstock is a mixture of hardwood species of low quality stem wood. The representation of these species in our feedstock is as shown in the figure 2.

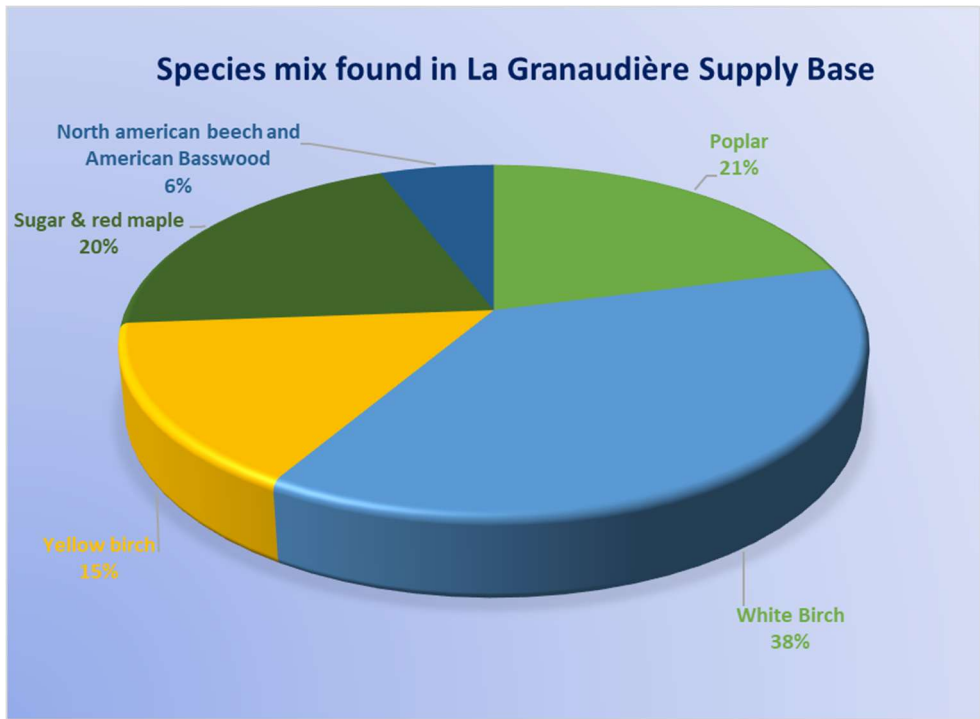


Figure 2 – La Granaudière Feedstock Tree Species

Laws, communications and their application are part of the Provincial government responsibilities. Forest management plans and regulation compliance are undertaken by the Ministry of Forests, Wildlife and Parks. The overall evaluation of forestry practices on both private and public land is undertaken by an independent officer, the Forestier en Chef.

Created in 2005, as a recommendation from the Commission of Studies on the Management of the Public Forest in Quebec (the Coulombe commission), its mission is to determine the annual allowable cut, bring clarifications to the leaders and inform the population on the well-being of the forest. The Forestier en chef roles and responsibilities are described by the SFDA.

The SFDA establishes a forest regime designed to:

- (1) implement sustainable forest development, in particular through ecosystem-based development;
- (2) ensure integrated and regionalized resource and land management based on clear, consistent objectives, measurable results and the accountability of managers and users of the forest;
- (3) determine how responsibilities under the forest regime are shared between the Province, regional bodies, Native communities and users of the forest;

- (4) follow up and monitor forest operations in the domain of the Province;
- (5) govern the sale of timber and other forest products on the open market at a price reflecting their market value, and the supply of timber to wood processing plants;
- (6) regulate the development of private forests; and
- (7) govern forest protection activities.

The regime implements sustainable forest development which must contribute, in particular to:

- (1) the preservation of biological diversity;
- (2) the maintenance and improvement of the condition and productivity of forest ecosystems;
- (3) the conservation of soil and water;
- (4) the maintenance of forest ecosystem contributions to major ecological cycles;
- (5) the maintenance of the many socio-economic benefits society derives from forests; and
- (6) the consideration, in making development choices, of the values and needs expressed by the populations concerned.

Forests are part of the province's heritage and continue to be a source of pride for all. It provides socio-economic and environmental benefits for local communities and the general population. They are managed in respect of their environmental services, resources and products they generate. They are managed under the Sustainable forest development Act (chapter A-18.1) which promotes ecosystem based forest management for the benefit of all users and society as a whole. Forest management takes into account the impact of climate change, the preservation of biodiversity, the protection of land and water ecosystems and the interests, values and needs of First Nation communities.

The Environment Quality Act, the Natural Heritage Conservation Act and the Act respecting threatened or vulnerable species aim, respectively, to protect the environment, to safeguard the character, diversity and integrity of Quebec's natural heritage, and to protect and manage species designated threatened or vulnerable or likely to be so designated as well as their habitats. The MELCC and the MFFP enforce these laws and regulations in the forest territory.

A total of 641,723 ha (12.2%) are legally protected and 388,519 ha of wet lands are excluded from the commercial harvest landbase part of the La Granaudière Supply Base. The vulnerable plants and animal species found in the supply base sensitive to forest operations are the American ginseng (*Panax quinquefolius*) and the Blanding's turtle (*Emydoidea blandingii*). Best management practices and regulations are implemented to mitigate the risk of forest operations on these species. The American elm (*Ulmus Americana*), White ash (*Fraxinus americana*) can be found in the southern part of the supply base are listed as endangered by the IUCN but neither by federal and provincial governments nor by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC). According to the IUCN, threats to White Ash and American elm are invasive non-native/alien species/diseases and not related to forestry practices.

2.2 Actions taken to promote certification amongst feedstock supplier

Forest certification in Quebec is the norm on public land and in the forest sector. Certification of forest management practices and chain of custody is widespread in the province and in the supply region of La Granaudière. This guarantees consumers forest products are certified and practices verified by a third-party.

La Granaudière requires suppliers to deliver feedstock with proper documentation demonstrating proof of origin and certification status when possible.

2.3 Final harvest sampling programme

The proportion of final fellings of stands over 40 years old for biomass purposes compared to other end uses are thoroughly monitored by government and La Granaudière.

The following is a list of strict controls at the time of delivery at the mills gate:

- ✓ A unique Identifier by carrier linking the wood origin of deliveries with to the scaling report. The internal software Felix™ is used (ex; quantities, origin, species...).
- ✓ A sample of the feedstock is verified for moisture content on a regular basis.
- ✓ Each delivery is verified for species and quality control.
- ✓ Pictures of delivery samples are taken for visual references.
- ✓ All feedstock deliveries are inspected to control the absence of rocks, dirt, sand or any other possible contaminants.

98% of La Granaudière's feedstock is roundwood of low value. At the scale of the public land FMUs within the supply base, between 22% and 26% of the total allocated volume is in low quality roundwood for pulp and paper and panel mills. No volume is directly allocated for forest biomass nor for biomass producers. 75% of the timber harvested is of high quality for sawmills, veneer, telephone poles, etc.

2.4 Flow diagram of feedstock inputs showing feedstock type



Supply base feedstock from forest (FSC and/or SFI certified or controlled)



(SBP certification and FSC Chain of Custody)

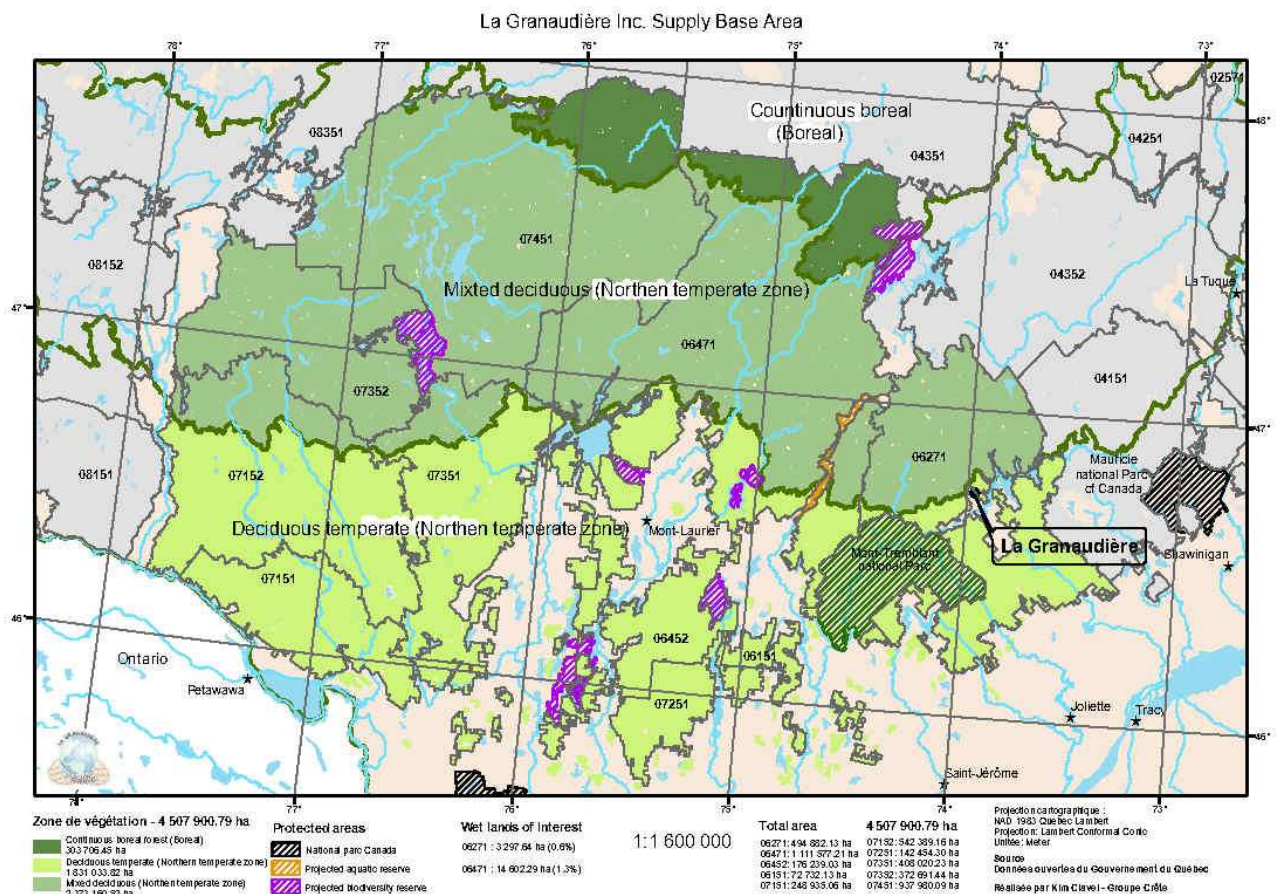
SBP Compliant Biomass

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): 4 507 900.79 ha
- b. Tenure by type (ha): Public 4 507 900.79 ha
- c. Forest by type (ha): Continuous boreal forest (Boreal) 303 706.45 ha
 Deciduous temperate (Northern temperate zone) 1 831 033.82 ha
 Mixed deciduous (Northern temperate zone) 2 373 160.52 ha
- d. Forest by management type (ha): 4 507 900.79 ha of natural forest management.
- e. Certified forest by scheme (ha): SFI - 3 940 286.53 ha
 FSC - 494 882.13 ha
 Uncertified - 72 732.13 ha



Feedstock

- f. Total volume of Feedstock : 350 000 – 400 000 m³ depending on market and Biomass availability
- g. Volume of primary feedstock : 350 000 – 400 000 m³ depending on market and Biomass availability
- h. List percentage of primary feedstock (g), by the following categories. - Subdivide by SBP-approved Forest Management Schemes:
- Certified to an SBP-approved Forest Management Scheme : 90%-95%
 - SFI : 85%-90%
 - FSC : 10%-15%
 - Not certified to an SBP-approved Forest Management Scheme : 5%-10%
- i. List all species in primary feedstock, including scientific name:

Name (english)	Nom (french)	Scientific name
Balsam poplar	Peuplier baumier	Populus balsamifera
Eastern cottonwood	Peuplier deltoïde	Populus deltoides
Trembling Aspen	Peuplier faux tremble	Populus tremuloides
Poplar (Largetooth aspen)	Peuplier grande dent	Populus grandidentata
Paper or white Birch	Bouleau à papier	Betula papyrifera
Yellow birch	bouleau jaune	Populus alleghaniensis
Sugar maple	érable à sucre	Acer saccharum
Red maple	érable rouge	Acer rubrum
North american beech	Hêtre à grandes feuilles	Fagus grandifolia
American Basswood	Tilleuil d'amérique	Tilia americana

- j. Volume of primary feedstock from primary forest : Not applicable
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme : 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme : 0%
- l. Volume of secondary feedstock: specify origin and type - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. (Not applicable)

m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. (Not applicable)

* 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

4 Supply Base Evaluation Process

4.1 Scope

Not applicable

4.2 Justification

Not applicable

4.3 Results of Risk Assessment

Not applicable

4.4 Results of Supplier Verification Programme

Not applicable

4.5 Conclusion

Not applicable

5 Supply Base Evaluation Process

Not applicable

6 Stakeholder Consultation

Not applicable.

6.1 Response to stakeholder comments

Not applicable

7 Overview of Initial Assessment of Risk

Not applicable

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable

8.2 Site visits

Not applicable

8.3 Conclusions from the Supplier Verification Programme

Not applicable

9 Mitigation Measures

9.1 Mitigation measures

Not applicable

9.2 Monitoring and outcomes

Not applicable

10 Detailed Findings for Indicators

Not applicable

11 Review of Report

11.1 Peer review

Not applicable

11.2 Public or additional reviews

The SBR report was prepared under the supervision of Nicolas Blanchette, ing.f. from INCOS Strategies. M. Blanchette has expertise with SBP certification and biomass producers across Canada and in the United States. No additional review of the SBR was deemed necessary since it does not include a supply base evaluation.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Alexandre Samuel & Nicolas Blanchette</i>	<i>Certification coordinator La Granaudière Consultant, INCOS Strategies</i>	<i>August 26, 2020</i>
	Name	Title	Date
<p>The undersigned persons confirm that I/we are members of the organisation’s senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.</p>			
Report approved by:	<i>Yves Crits</i>	<i>CEO</i>	<i>August 26, 2020</i>
	Name	Title	Date
Report approved by:	<i>Martin Laliberté</i>	<i>CFO</i>	<i>August 26, 2020</i>
	Name	Title	Date
Report approved by:	<i>Marc Dumont</i>	<i>Woodland and Fibre Supply Officer</i>	<i>August 26, 2020</i>
	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

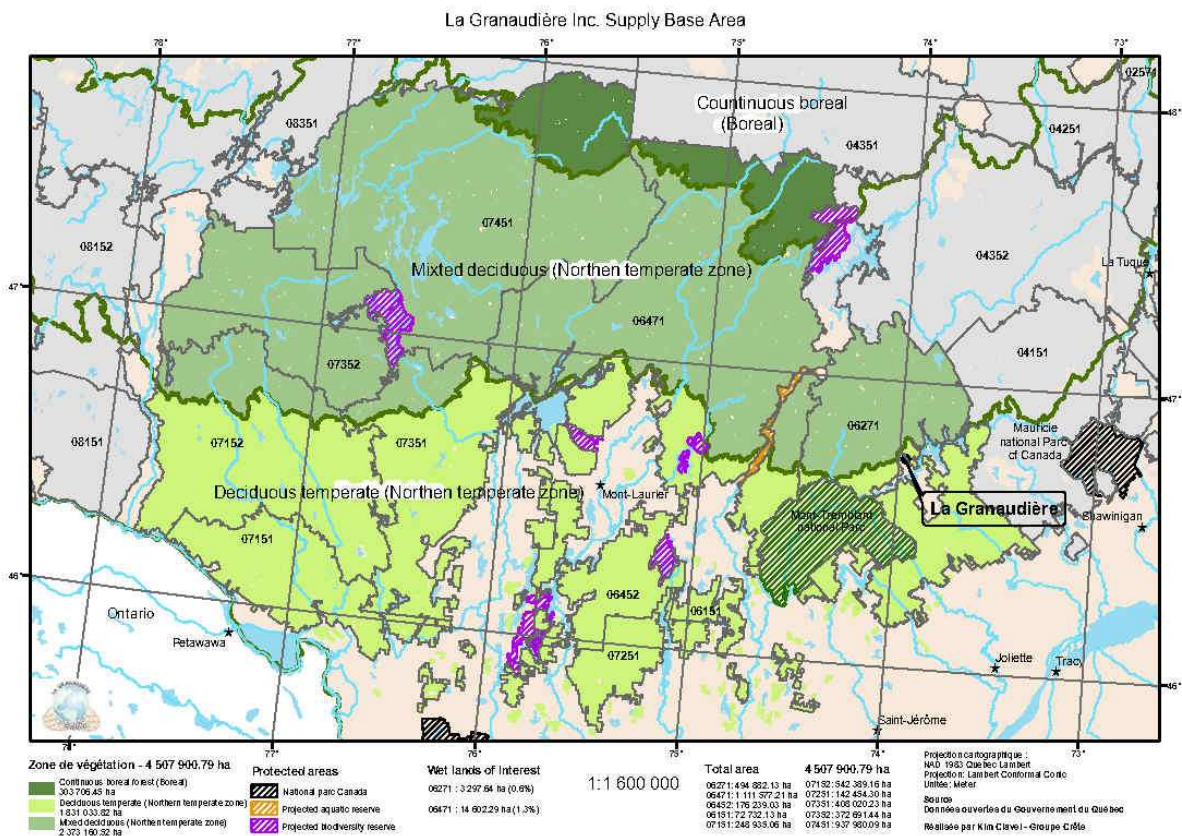
*Using the categories in Section 2.5 'Quantification of the Supply Base' (above), give an update on the actual figures for the previous 12 month period. Volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided**

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*

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- l. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. (Not applicable)

- * 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.

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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

Sources / credits :

<https://forestierenchef.gouv.qc.ca/documents/calcul-des-possibilites-forestieres/periode-2018-2023/possibilites-forestieres-2018-2023>

<https://mffp.gouv.qc.ca/publications/enligne/forets/criteres-indicateurs>

<https://mffp.gouv.qc.ca/les-forets/amenagement-durable-forets>

<http://legisquebec.gouv.qc.ca/en/ShowDoc/cr/A-18.1,%20r.%200.01>