



Preferred by Nature OÜ Evaluation of Granules LG Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.8

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

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Lennart Holm
Audit team members:	-
Name of the Company:	Granules LG
Company legal address:	1665 rue Nishk, G0W 2H0 Mashteuiatsh, Canada
Company contact for SBP:	André L'Heureux
Company contact email:	alheureux@granuleslg.com
Company website:	https://granuleslg.com/fr/index
Installation date:	N/A
(production of heat, cooling or electricity from biomass has started)	
SBP Certificate Code:	SBP-07-04
Date of certificate issue:	24 Sep 2023
Date of certificate expiry:	23 Sep 2028
Audit closing meeting date:	30 Aug 2024
Audit cycle:	First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	<input type="checkbox"/>
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5; SBP Framework Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII v1.0	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes REDII scheme	Yes	<input type="checkbox"/>
Includes REDII SBE	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Secondary, Tertiary	<input type="checkbox"/>
Feedstock origin (countries):	Canada	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		<input type="checkbox"/>
Chain of custody system implemented:	PEFC: PBN-PEFC-COC-030022	<input type="checkbox"/>
	Credit	<input type="checkbox"/>

2.1 Description of the company

Granules L.G. Inc. operates a pellet mill with production of wood pellets from secondary and tertiary pre-consumer feedstock by the Biomass Producer's pellet mill in St-Felicien, Quebec, Canada. The feedstock for the production of wood pellets is sourced from 16 primary and secondary wood industries, all located in the province of Quebec. The feedstock includes material from a Supply Base consisting of the Canadian provinces of Quebec. The scope of the certification includes the use of a logistics site at the harbour in Grand-Anse, Quebec.

2.2 Detailed description of the Chain of Custody system

The Biomass Producer's PEFC Chain of Custody system is based on the Volume Credit method, and all inputs to the production site are either received as 100% PEFC certified or sourced as PEFC Controlled Sources under the BP PEFC Due Diligence System. All material is checked at the reception including the certification status of the material, certified volume is updated in the system to the credit account (PEFC and SBP amounts are recorded). Once the sales are done, the credits are discounted from the account and recorded in the DTS.

3 Specific objective

The objective of this evaluation was to confirm that Granules management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of this evaluation also covered the RED II requirements for secondary feedstock.

The scope of the evaluation covered

- Review of the BP's management procedures, including requirements designated in applicable SBP;
- Standards and Instruction Documents;
- Review of the production processes, production site visit;
- Review of the Supply Base Report;
- Review of SBP system control points, analysis of the developed Coc system;
- Review of the records and calculations;
- GHG data collection analysis;
- Interviews with responsible staff;
- RED II bridging requirements for meeting RED II;
- Business integrity.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
4. Other	-	
2. On-site (excl. travel time)	Lennart Holm	16.0
3. Report writing	Lennart Holm	6.0
1. Preparation	Lennart Holm	4.0

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening Meeting</i>	Granules LG	Lennart Holm	29 Aug 2024/08:00
<i>SBP STD 5 review</i>	Granules LG	Lennart Holm	29 Aug 2024/08:30
<i>Evaluation of Management System</i>	Granules LG	Lennart Holm	29 Aug 2024/10:30
<i>Evaluation of company SBR</i>	Granules LG	Lennart Holm	29 Aug 2024/16.00

<i>Supplier visits</i>	Sampled suppliers	Lennart Holm	30 Aug 2024/08.00
<i>Tour of facilities</i>	Granules LG	Lennart Holm	30 Aug 2024/14:00
<i>Closing Meeting</i>	Granules LG	Lennart Holm	30 Aug 2024/16:00

Auditor qualification		
Auditor name	Role	Qualification
Lennart Holm	Audit team leader	Lennart has over 25 years of auditing experience in Forest Management; Chain of Custody, SBP, GGL, Enplus and SDE+ audits, for various CBs. Lead SBP, ENplus, GGL, SDE+ and FSC, PEFC and SFI FM/COC auditor, as well as ISO9001 and ISO14001 lead auditor, and successfully passed the SBP auditor training program for V1 and V2 of the SBP standards.

4.2 Description of evaluation activities

This SBP audit was carried out between August 29-30, 2024, thus a total of 2 days were used for this audit. The audit was carried out through visits to the Granules LG office and pellet plant, as well as a visits to selected suppliers of secondary and tertiary feedstock.

Opening meeting was followed by review of the management system and the SAR and SBR. Requirements for STD 2, 4, 5 and RED II procedures were also reviewed, as well as revision of supporting documents. First day was focussed on evaluation of origin data, sourcing program, purchase claims, volumes management within the RED II requirements and credit accounts, as well as the sales in the reporting period.

Second day was focussed on the secondary and tertiary suppliers sampling, some of them remote and some onsite with the propose to verify compliance with RED II requirements for waste and residues and feedstock origin verification as per SBP STD 2. After that, pending topics for STD 2. 4 and 5 were reviewed.

This report is the result of the findings of an audit carried out by an independent lead auditor. The purpose of the assessment was to assess the client's compliance with the standards used within the scope of the certificate.

A sufficient amount of people were interviewed during the site and field visits. Critical Control points were evaluated and found to be sufficiently well managed and controlled.

A closing meeting was conducted where auditor summarized scope change audit conclusions and next steps where clarified.

4.3 Sampling methodology

During audit preparation, a sampling plan was developed based on the following criteria: - A review of documentation related to energy and carbon data for the chosen SAR reporting period. – Inspection of suppliers of secondary and tertiary feedstock. Out of 16 suppliers, 3 were visited on-site and 2 were subject to a remote verification, based on the square root of the number of suppliers. - All applicable and existing documents and procedures subject to the applicable SBP requirements were reviewed. - All relevant staff were interviewed

4.4 CB stakeholder engagement

No stakeholder engagement for this surveillance audit.

4.5 Stakeholder feedback

No stakeholder comments were received.

5 Results

5.1 Main strengths and weaknesses

The main strength of the BP lies within its relatively simple production and its use of secondary and tertiary pre-consumer feedstock, which is all received as PEFC Certified or PEFC Controlled Sources and therefore can be sourced without the need for a Supply Base Evaluation. There is access to necessary information regarding the forest management unit of origin through the tool www.woodsupplychain.com. With this, the geographical location of the stand can be confirmed as being inside the defined Supply Base.

No weaknesses identified during the audit.

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

Since the BP uses secondary and tertiary pre-consumer feedstock only, has documentation for all energy and fuel use in the production of pellets, and a simple transport scheme to the endpoint at the harbour of Grand-Anse, Quebec, the accuracy and completeness of GHG data is evaluated as very good.

5.4 Competency of involved personnel

Staff members involved into the SBP system management and implementation, include the external consultant, demonstrated awareness of their responsibilities within SBP system. Granules LG assigned an external consultant with extensive experience in forest planning, management, and certification. The consultant has worked on processes related to forest certification in other countries worldwide. This external consultant will continue to support Granules LG with the RA and mitigation measures development.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

N/A

6.2 Specified risk indicators and mitigation measures

Country:

N/A

Indicator:

N/A

Specific risk description:

N/A

Mitigation measure:

N/A

7 Non-conformities and observations

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorría Serrano
Date of decision:	30 Oct 2024
Other comments:	N/A