Supply Base Report:

Granules LG inc.
Third Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 2.2 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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 2.0	Published 10 August 2023
Version 2.1	Published 15 April 2024
Version 2.2	Published 21 May 2025
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1 Overview

Producer name:	Granules LG inc.
Producer address:	750 de la Moraine, G8K 0A1 St-Félicien, Québec , Canada
SBP Certificate Code:	SBP-07-04
Geographic position:	48.558600, -72.247200
Primary contact:	André L'Heureux, +1 418 679 2647 or +1 418 637 8285, alheureux@granuleslg.com
Company website:	https://granuleslg.com/fr/index
Date report finalised:	24 May 2026
SBR reporting period from:	01 Apr 2025
SBR reporting period to:	31 Mar 2026
Name of the Certification Body:	Preferred by Nature OÜ
Certification Body Approval date:	05 Oct 2026
SBP Standard(s) used:	SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Feedstock origin (countries)	Canada (Eastern Ontario, Quebec, New Brunswick), United States (NY, NJ, MA, RI, VT, NH, ME, CT, PA)
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

Granules LG Inc. has been manufacturing wood pellets for 30 years. As a leader in green energy production, the company maximizes the use of residues from the transformation of lumber by enhancing their potential through resource densification. The company is certified ENplus for quality assurance and SBP. Guided by fundamentally human values, the company's leadership strives for excellence through a vision of environmental responsibility.

This vision is well reflected in its logo:
The Inukshuk (representing humanity) respects the tree (the resource) that produces the flame (bioenergy).

Products included in the scope of SBP Certification: *WB 1.1 Wood pellets*

Number of employees: *47*

Annual maximum production capacity (metric tonnes): *109000*

Number of direct feedstock suppliers: *15*

Approximate number of feedstock sub-suppliers: *56*

Description of the chain-of-custody and upstream supply chain:

Granules LG receives its feedstock directly from first and second manufacturing mills. First processing facilities source primary feedstock from public forests through a supply agreement with the ministry of Natural Resources and Forests. The province owns the standing timber which transfer ownership to sawmills once the roundwood is delivered to their facilities. Tree harvest is undertaken by the sawmill themselves, by contractors or woodlot owners. Harvested trees sourced from private lands are generally sold to sawmills by marketing boards in Quebec and in New Brunswick. Three secondary processing mill delivers residues - sawdust and shavings - from lumber/planks sourced from 56 sawmills.

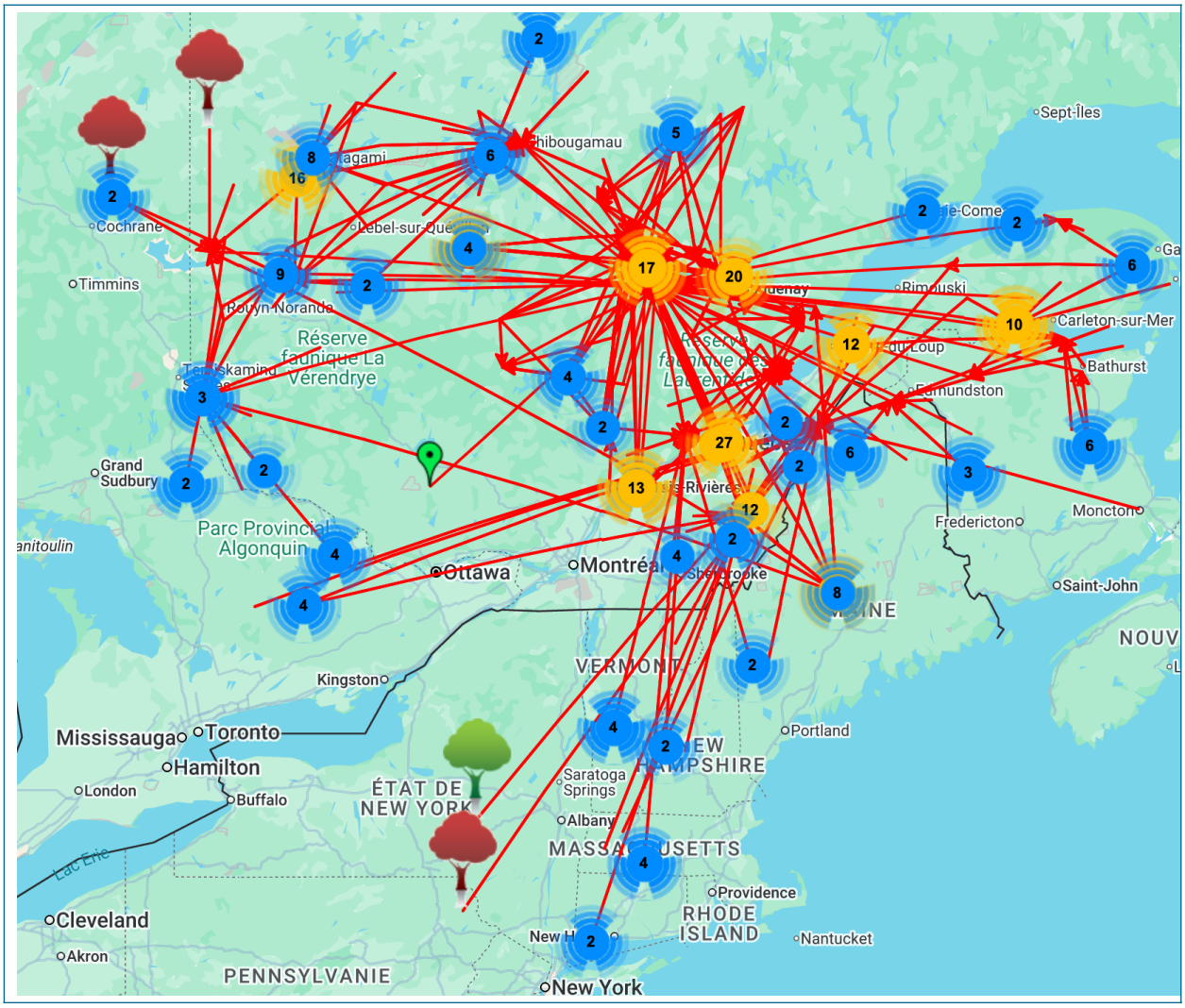
2.2 Detailed description of the Supply Base

Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.

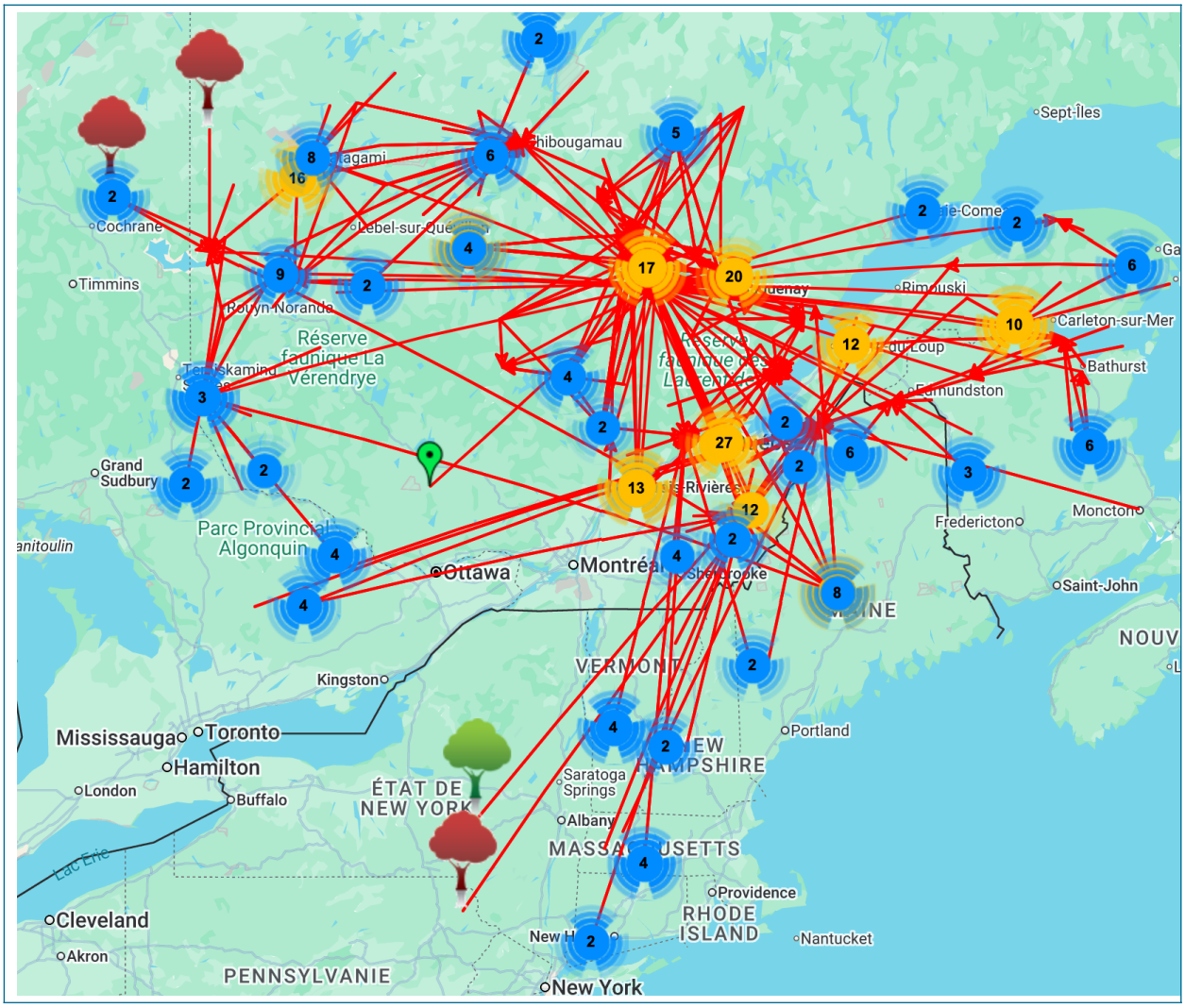
Annex 2 is generated if EU RED SBE is in the scope for each country separately.

Country	Canada
Area/Region	Eastern Ontario, Quebec, New Brunswick
Exclusions	n/a
Feedstock types	Processing residues
Feedstock Product Groups	Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	No
For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?	Yes - Majority
Risk assessment(s)	N/A – Primary and/or Processing residues certified to an SBP- recognised controlled scheme
Provide a concise summary of why a SBE was determined to be required or not required here:	
All feedstock is received with a third party certification claim or included in the PEFC DDS to be considered as controlled feedstock.	
Feedstock types included in SBE:	N/A
Includes EU RED SBE:	No
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	9.6540
Map(s) of the Supply Base area:	



Country	United States
Area/Region	NY, NJ, MA, RI, VT, NH, ME, CT, PA
Exclusions	n/a
Feedstock types	Processing residues
Feedstock Product Groups	Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	No
For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?	Yes - Majority

Risk assessment(s)	N/A – Primary and/or Processing residues certified to an SBP- recognised controlled scheme
Provide a concise summary of why a SBE was determined to be required or not required here:	
All of the secondary category feedstock is from neighbouring 1st and secondary processing mills to the pellet mill. It received with an SBP recognized certification claim or considered PEFC controlled through the organisation's DDS.	
Feedstock types included in SBE:	N/A
Includes EU RED SBE:	No
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	14.1000
Map(s) of the Supply Base area:	


Sept-Îles
Cochrane
Timmins
Rouyn-Noranda
Réserve faunique La Vérendrye
Grand Sudbury
Parc Provincial Algonquin
Ottawa
Montréal
Rimouski
Carleton-sur-Mer
Bathurst
Edmundston
Fredericton
Moncton
Saint-John
Kingston
Mississauga
Toronto
Hamilton
London
Buffalo
ÉTAT DE NEW YORK
Saratoga Springs
Albany
Portland
VERMONT
RHODE ISLAND
Providence
Nantucket
Cleveland
Akron
PENNSYLVANIE
New York
Lac Erie

2.3 Feedstock information

a. Total volume of Feedstock: 1-200,000 tonnes

b. Volume of primary feedstock: 0

c. List of all the species in primary feedstock, including scientific name:

Populus tremuloides	trembling aspen
Abies balsamea	balsam fir
Picea mariana	black spruce
Larix decidua	tamarack
Picea glauca	white spruce
Pinus banksiana	lodgepole pine
Pinus strobus	white pine
Pinus resinosa	red pine

d. Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? Yes - Minority

Explanation: Natural disturbances occur at various scales, intensities and time frames across the supply base. It is not uncommon to find large areas in the boreal forest impacted by fires, pest outbreaks or wind- throws. Salvage logging is prescribed when possible depending on accessibility and the rate at which the timber can be harvested. Not all affected stands are salvaged and for multiple reasons such as for conservation objectives and accessibility or lack thereof. Generally, salvage logging should occur within 2 years of the disturbance for the mills to be able to process the logs.

e. Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%): 1.00

f. Softwood (i.e. coniferous trees): specify proportion of feedstock from (%): 99.00

g. Proportion of feedstock composed of or derived from saw logs by weight (%): 0.00

h. Indicate how you determine the proportion of saw log: Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.

i. Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%): 100.00

j. Select forest type(s) where the primary feedstock was sourced from: Other Naturally Regenerated Forest

k. Select the main harvesting system(s) used for the sourced primary feedstock: Mix of the above

l. Volume of primary feedstock from primary forest:

m. Volume of processing residues feedstock: 1-200,000 tonnes
Physical form of the feedstock: Sawdust, Other (specify)

n. Share of SBP-recognised system claim for processing residues:

100.00 % PEFC

o. Volume of post-consumer feedstock: 0
Physical form of the feedstock: Sawdust, Other (specify)

p. Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP: 100 %

q. What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): 5500000.00 m3

Explanation: The totality of public forest is certified under a recognized SBP certification system. The BP sources only residues.

3 Supply Base Risk Assessments and Risk Management Measures

Guidance: Biomass Producers shall demonstrate that any specified risks of sourcing feedstock not in compliance with SBP Standard 1 have been adequately reduced to low risk, following Standard 2 requirements. Following section applies to Biomass Producer's implementing SBP Supply Base Evaluation (SBP RRA or company own risk assessment). EU RED Supply Base Evaluation details are reported in Annex 2.

☒ **Not Applicable – Supply Base Evaluation not implemented**

3.1 Summary of the Supply Base Evaluation

3.2 Conflicts with applicable national and sub-national legislation

3.3 Risk Management Measures

Guidance: Please provide more details about specified risk indicators in each supply country and describe mitigation measures taken to address all specified risks associated with indicators.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date:

Biomass Producer's stakeholder engagement end date:

Total number of stakeholders contacted:

Give a general description of the process of Stakeholders Engagement, including stakeholders contacted, method of communication and a summary of the comments received:

Since there is no specified risk within its supply base, Granules LG's has no SBE within the scope of its certificate. There are no Supply Base Verifiers, no Risk Assessment and risk ratings, and no Risk Management Plan, Risk Management Measures and Means of Verification.

4.2 Response to stakeholder comments

5 Report updates and approval

This document is: New Supply Base Report (Assessments/reassessments)

Summary of changes: N/A

Name	Nicolas Blanchette
Title	Consultant
Date of report approval	24 May 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Not Applicable (RED II SBE not included)

Annex 2a: EU RED II Supply Base Evaluation

Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

☐ Not Applicable (Processing Residues and/or post-consumer feedstock not used)

Verification and monitoring of suppliers

The feedstock is sourced only from manufacturers. No chips is delivered at the mill. Suppliers have been requested to sign the RED commitment to respect its definition of secondary and tertiary products. Since feedstock is made of sawdust and shavings, no monitoring is required aside from verification executed at time of reception at the mill

Feedstock inspection and classification upon receipt

All deliveries are weighted and sampled for quality and moisture measurements which are recorded in the system for future review.

Supplier audit for processing residues and post-consumer feedstock

As all feedstock is received only as shavings and sawdust, no monitoring is required aside from the inspection and classification at time of reception. However, to define and to confirm our supply base, we visit 0.6*SQUAREROOT(#Suppliers). These audits also allow us to verify the feedstock compliance with the RED definition of residues.

Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no EU RED sustainability requirements apply, only the GHG savings criteria apply (SBP EU RED Bridging ID v2.0 Section 1.1). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).

Not Applicable (RED II TOF not included)

Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).