



Supply Base Report:

Granulco Inc. Fourth 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
Version 2.3	Published 14 August 2025

© Copyright Sustainable Biomass Program Limited 2025

Table of contents

1 Overview

2 Description of the Biomass Producer and the Supply Base

- 2.1 Description of the company
- 2.2 Detailed description of the Supply Base
- 2.3 Feedstock information

3 Supply Base Risk Assessments and Risk Management Measures

- 3.1 Summary of the Supply Base Evaluation
- 3.2 Conflicts with applicable national and sub-national legislation
- 3.3 Risk Management Measures

4 Stakeholder engagement

- 4.1 General description
- 4.2 Response to stakeholder comments

5 Report updates and approval

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

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

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

1 Overview

Producer name:	Granulco Inc.
Producer address:	648 ch. du Moulin, G0T1Y0 Sacré-Coeur, Canada
SBP Certificate Code:	SBP-08-72
Geographic position:	48.269521, -69.888816
Primary contact:	Karl Gauthier, +1 418 236 1222, kgauthier@granulco.com
Company website:	www.granulco.com
Date report finalised:	28 Mar 2026
SBR reporting period from:	01 Jan 2025
SBR reporting period to:	31 Dec 2025
Name of the Certification Body:	Preferred by Nature OÜ
Certification Body Approval date:	21 Aug 2026
SBP Standard(s) used:	SBP Standard 1: Feedstock Compliance v2.0, 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 v2.0, Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.2
Feedstock origin (countries)	Canada (Haute-Côte-Nord, Forêt publique, SLSTJ)
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

Inaugurated in 2009 in Sacré-Cœur in Haute-Côte-Nord, Granulco is located in the industrial complex of the forestry company Boisaco. After modest beginnings, Granulco has now become a benchmark in manufacturing, marketing, and the quality of its products. The company is dedicated to the production of wood pellets and has the mission of producing superior quality products that meet the highest industrial standards for energy efficiency and greenhouse gas reduction. Bagged pellets are made of a mixture of softwood and hardwood tree species and are sold domestically mostly for residential use. The great majority of bulk pellets are made of softwood tree species and sold overseas.

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

Number of employees: 17

Annual maximum production capacity (metric tonnes): 75000

Number of direct feedstock suppliers: 4

Approximate number of feedstock sub-suppliers: 6

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

The total mill's wood supply is sourced from 4 sawmills as residues (e.g. pin chips, sawdust and shavings) and one reman mill excluded from the SBE as its feedstock is not used in bulk pellet sales.

Potential primary feedstock would be sourced from an existing hardwood sawmill sourcing logs from a forest management unit on public land.

Granulco manufactures both residential and industrial pellets. The first are made out of both softwood and hardwood tree species. For the 12-month reporting period, industrial pellets sold in bulk were made solely of softwood tree species certified by an SBP recognized certification program. The overview of the total feedstock of the pellet mill is provided to explain the data used to complete the SAR. However, the supply regions defined in the SBR are limited to the forest origins of three sawmills' certified feedstock sourced as pin chips, sawdust and shavings.

The forest origins of their wood supply are mainly located in public forests and in a limited portion from woodlots managed by two marketing boards. The sawmills public wood supply is attributed by the government on an annual and a five year basis. All of the public forests are SFI certified and one is FSC certified. Harvested trees from public forests are owned by the government until they are delivered to the sawmills which acquire ownership of the logs once stumpage is paid. On public land, loggers are either independent subcontractors or a division of a sawmill. In either case, they are under the supervision of a professional forester.

Once deliveries of primary chips commence, they will be produced in the log yard of a certified sawmill sourced from certified forest management unit (i.e. white birch (*Betula papyrifera*)).

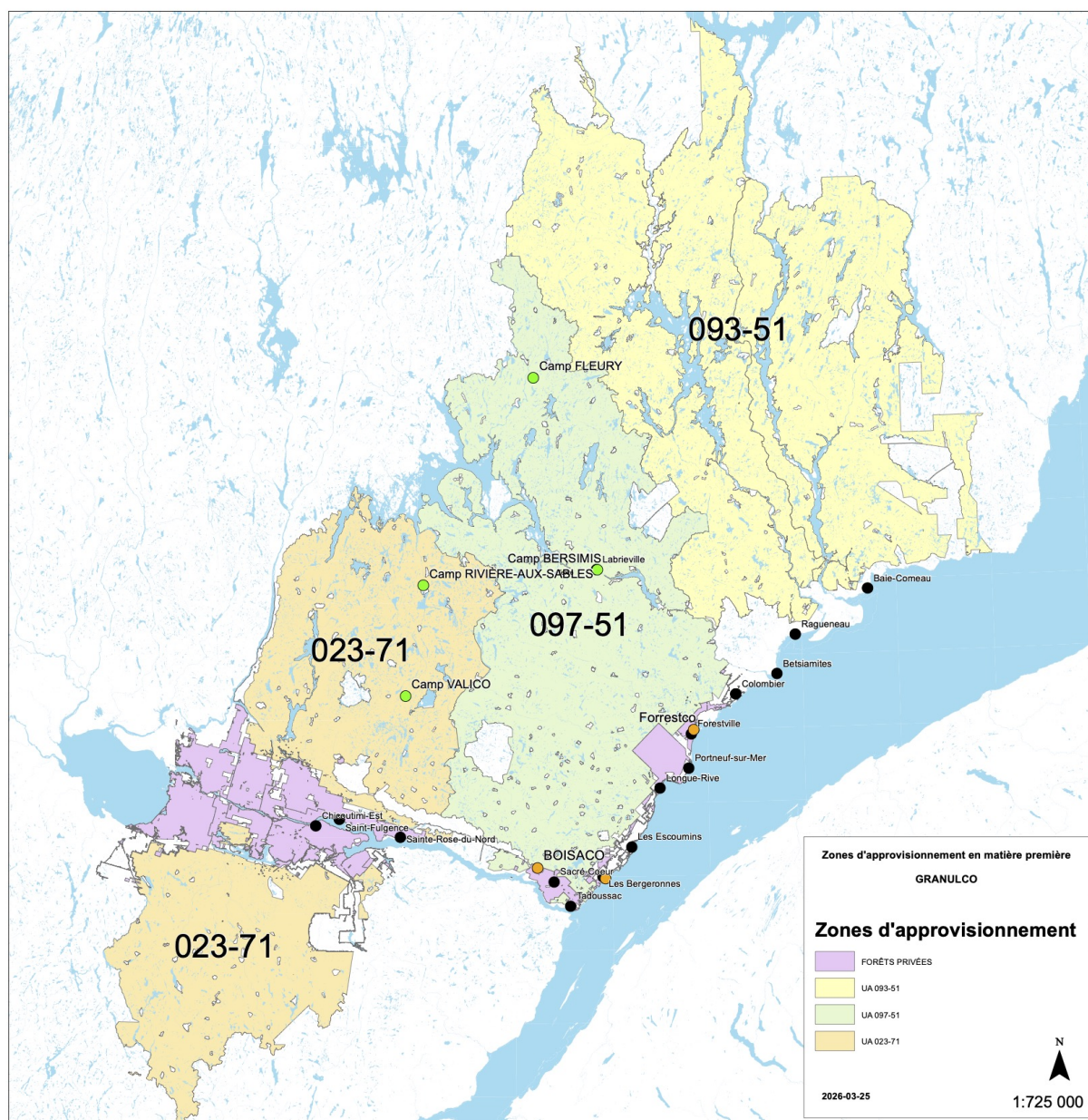
2.2 Detailed description of the Supply Base

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	Haute-Côte-Nord, Forêt publique, SLSTJ
Exclusions	
Feedstock types	Primary feedstock, Processing residues
Feedstock Product Groups	Forest feedstock (1A), Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant 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)	Yes – Regional Risk Assessment (RRA) used, 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:	
100% of Granulco's feedstock is sourced in form of residues during the 12-month SAR reporting period. 100% of the feedstock used for the production of bulk pellets is certified by an SBP recognized certification program. Th SBE is implemented in the case the organization sources primary feedstock from SFI certified public forests, since the SBP Quebec RRA identified specified risks for these forests.	
Feedstock types included in SBE:	Primary feedstock, Processing residues
Includes EU RED SBE:	Yes
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):	3.6000
Map(s) of the Supply Base area:	



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:

Betula papyrifera

white birch

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: Yes, in part. The MRNF, in its silvicultural prescriptions and cutting permits, prioritizes forest harvesting operations in sectors ravaged by insects (e.g. spruce budworm).

e. Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%): 0.00

f. Softwood (i.e. coniferous trees): specify proportion of feedstock from (%): 0.00

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: Clearcutting

l. Volume of primary feedstock from primary forest: tonnes

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 % SFI

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: 85000 tonnes

q. What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): 3000000.00 tonnes

Explanation: For ease of calculation, identified IFL areas and caribou habitat areas have been excluded to calculate the estimated annual volume RED-Compliant feedstock. At present, the mill has not received any primary feedstock. As it is examining the possibility of sourcing primary feedstock, it has adopted and implemented a risk management system and stakeholder engagement.

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

Granulco adopted a risk management plan to consider relevant specified risks of the SBP Quebec RRA for the primary hardwood feedstock sourced from public forests. A stakeholder engagement process provides for public consultation of the SBE, mitigation measures, means of verification and outcomes of their implementation. Consultations with identified stakeholders occur annually in parallel of the internal audit and more often should they be necessary.

3.2 Conflicts with applicable national and sub-national legislation

N/A

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.

Country: Canada	
Area/sub-scope: Quebec Public Forests	
Risk Assessment used:	
	☐ SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐ SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐ SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐ SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐ SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐ SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☒ SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐ SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐ SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐ SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐ SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐ SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	

2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.

Description of the specific risk:

a specified risk is defined given the absence of management criteria and strategies in line with the Government of Canada's Modified Woodland Caribou Recovery Strategy

Mitigation measure:

To minimize the risk of disturbing woodland caribou habitat, Granulco Inc. will source birch chips from areas where disturbance rates are stable or decreasing. A reference baseline is calculated based on the rate of disturbance on 31 March 2025. An updated rate of disturbance is calculated at the end of the year to determine if it is stable or has increased.

Monitoring and outcomes:

Evaluate annually, using the most recent technical and financial activity report (TFR), whether disturbance rates of woodland caribou habitat are maintained or are decreasing in the intervention sectors from the stands where the white birch is sourced for Granulco inc.. (Responsible: Sophie Desbiens, ing.f., Boisaco).

The level of disturbance of the caribou habitat is calculated in the following manner:

1. Confirm the disturbance rate of the caribou habitat on 31 March 2025 to serve as the baseline (zone A). - Disturbance rate of the caribou habitat is defined as the total zone of influence of human disturbances (Application of a 500m radius to outer boundaries of all existing identified human disturbances on 31 March 2025 (i.e. linear disturbances (i.e. roads, power lines), harvest areas, human settlements))
2. Define and map the sourcing areas of primary feedstock of Granulco located within the recognized caribou habitat; and,
3. Apply the 500m radius to these sourcing areas to determine their zone of influence within the caribou habitat (zone B); and,
4. Determine if the area of zone B is greater than the area of the baseline (zone A).
5. If the area of zone A is greater than the area of zone B, Granulco is in compliance with the mitigation measure.

Once the level of disturbance of the caribou habitat has been determined, Granulco will:

- Share the assessment results with TLGIRTs in time for the internal and external audits.
- In the event of an increase in the rate of disturbance of woodland caribou habitat (zone B vs zone A), define and propose to the TLGIRT new operational measures to be adopted to maintain or reduce the rate of disturbance.

- Evaluate, at the end of the five-year plan, based on available information whether rates of disturbance to woodland caribou habitat have been maintained or reduced in the areas of intervention from which the white birch destined for Granulco inc. originates (Responsible: Sophie Desbiens, ing.f., Boisaco).

- Share assessment results with TLGIRTs in time for the internal and external audits.
- In the event of an increase in the rate of disturbance of woodland caribou habitat in the areas from which the white birch is sourced, define and consult with the TLGIRTs about the new suggested operational measures to maintain or reduce the rate of disturbance in the area.

Outcomes

- Granulco did not source primary feedstock during the 12-month reporting period.
- evaluation of the mitigation measures where primary feedstock could have been sourced will be undertaken in the first half of 2026 for education and consultation purposes.

Country: Canada

Area/sub-scope: Quebec Public forests

Risk Assessment used:

- ☐ SBP-RRR-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
- ☐ SBP-RRR-US-NF-FOR_v1.0 RRA for US National FOR_Interim
- ☐ SBP-RRR-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
- ☐ SBP-RRR-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
- ☐ SBP-RRR-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
- ☐ SBP-RRR-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
- ☐ SBP-RRR-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
- ☐ SBP-RRR-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
- ☒ SBP-RRR-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
- ☐ SBP-RRR-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
- ☐ SBP-RRR-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
- ☐ SBP-RRR-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
- ☐ SBP-RRR-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
- ☐ SBP-RRR-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim
- ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.

Description of the specific risk:

there is a Specified risk that IFLs will not be maintained at the landscape scale, not being considered during forest management planning (harvesting and road planning).

Mitigation measure:

To minimize the risks associated with IFLs, Granulco inc. will source birch chips from forest stands located outside of recognized IFL.

Monitoring and outcomes:

Demonstrate, using the RATF and daily tracking of deliveries, that the supply of birch chips does not come from areas located in whole or in part within PFIs recognized by GFW Canada (PRAN, PAFIO).

- Annually share assessment results with the TLGIRT
- When white birch chips are found to originate or could originate from IFLs:

- Notify TLGIRT and the registration body within no more than 3 days.
- Stop deliveries of these chips until it is determined that future deliveries will be free of IFL white birch chips.

Outcomes

- No primary feedstock sourced during the 12-month reporting period.
- Potential sources of hardwood primary feedstock should be located in southern part of the FMU in absence of IFL.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 14 Feb 2026

Biomass Producer's stakeholder engagement end date: 14 Mar 2026

Total number of stakeholders contacted: 20

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

Stakeholders consulted are members of two local resource integrated organisations for the public forest management units from the Haute-Côte-Nord and from Manicouagan. Members include representatives from local governments, the forest industry, fish and wildlife outfitters, trappers, local environmental groups, First Nation communities, worker cooperatives, colleges, regional forest associations and from the ministry of Natural Resources and Forests (ministère des Ressources naturelles et de la Faune (MRNF)).

They were informed of the consultation through their respective coordinator and by email notifications.

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	28 Mar 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Canada
Area	Haute-Côte-Nord, Saguenay, Lac-St-Jean
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)¹ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i> <i>(a) primary forest and other wooded land and old growth forest, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of old growth forest at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.</i>	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	When the mill will source primary feedstock, harvests will have to be located in the second half southern section of the forest management unit (09751). The region composed of natural forests, close to inhabited areas with various recreational activities and cottages.
(vi)² That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i> <i>(b) highly biodiverse forest and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.</i>	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level

Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	When the mill will source primary feedstock, harvests will have to be located in the second half southern section of the forest management unit in respect with the forest management plan which includes HCV, conservation areas, etc. The region composed of natural forests, close to inhabited areas with various recreational activities and cottages.
(vi)³ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i> <i>(d) highly biodiverse grassland spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.</i>	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)⁴ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i> <i>(e) heathland - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).</i>	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)⁵ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land</i>	

with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: (a) **wetlands**, namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)⁶ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-CA-QC-FOR_v1.1 REDIII Level A for Canada FOR
Level B management system at the level of the forest sourcing area	N/A
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Not applicable, requirement only applies to Level A

LULUCF criteria 29(7)

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Level B management system at the level of the forest sourcing area	N/A

area	
------	--

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

Granulco conducts a verification process for its suppliers of primary and secondary wood co-products to determine whether this feedstock is eligible for exemption in accordance with Article 29 (1) of RED. All suppliers submit their names, addresses (mill type is confirmed), categories of co-products supplied and a self-declaration that the raw material is considered a processing residue or waste under RED. The list of suppliers specifies the level of control implemented to confirm the categories of raw materials delivered (visual inspection at the time of delivery by truck and sampling for laboratory testing).

If the co-product does not comply with Granulco's requirements, the product will be segregated, and deliveries from the supplier will be suspended until the situation has been clarified and confirmation of the raw material's conformity has been received and validated by Granulco. The certification body will be informed of the situation as soon as possible and throughout the process.

Feedstock inspection and classification upon receipt

All feedstock is visually inspected at time of truck delivery. Samples of the material are taken to verify quality and moisture content. Sawdust sourced from the neighbouring sawmill is not verified being supplied directly from the processing facility part of the same ownership by conveyor into a designated area.

Supplier audit for processing residues and post-consumer feedstock

Although Granulco does not source chips from their suppliers, they source sawdust, shavings and pin chips (filtered smaller chips), it conducts audits of secondary feedstock suppliers for quality control and observation of their operations even if logs are not processed by sawmills solely for their sawdust and shavings. Sampling intensity of mill visits is based on the following formula $0.6\sqrt{\text{#suppliers}}$

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).