



Supply Base Report:

Granules Combustibles Energex inc. NCR-verification audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 2.0

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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1 Overview

Producer name:	Granules Combustibles Energex inc.
Producer address:	3891 Président Kennedy, G6B 3B8 Lac-Mégantic (Québec), Canada
SBP Certificate Code:	SBP-08-39
Geographic position:	45.576620, -70.867290
Primary contact:	Alain Perreault, +1 819 583 5131 X1170, aperreault@lignetics.com
Company website:	https://energex.com
Date report finalised:	27 May 2025
SBR reporting period from:	01 Jan 2024
SBR reporting period to:	31 Dec 2024
Name of the Certification Body:	Preferred by Nature OÜ
Certification Body Approval date:	12 Oct 2025
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
Feedstock origin (countries)	Canada (32.76), United States (46.99)
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

The main plant in Lac-Mégantic was built by the oil company Shell in 1982, in response to the energy crisis of the 1970s. Designed to serve the industrial bulk market of the eastern United States, it operated under the Shell banner until 1993, when it became part of Lignetics. For over 30 years, Lignetics has transformed wood waste into premium, eco-friendly, diverse products, with heating pellets being our flagship offering.

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

Number of employees: 37

Annual maximum production capacity (metric tonnes): 110000

Number of direct feedstock suppliers: 49

Approximate number of feedstock sub-suppliers: 27

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

Energex sources its feedstock through one broker. A total of 49 mills delivered their residues during the reference period of the audit scope. The majority of those supplying mills are first processing mills which some have second and third manufacturing capabilities. In Quebec, 12 out of 13 marketing boards are part of the BP's supply chain.

The government of Quebec as manager of forests of the public domain is another player along the supply chain. Finally, 4 secondary processing facilities are direct suppliers of the BP. With this information, the total number of sub suppliers is 27.

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.

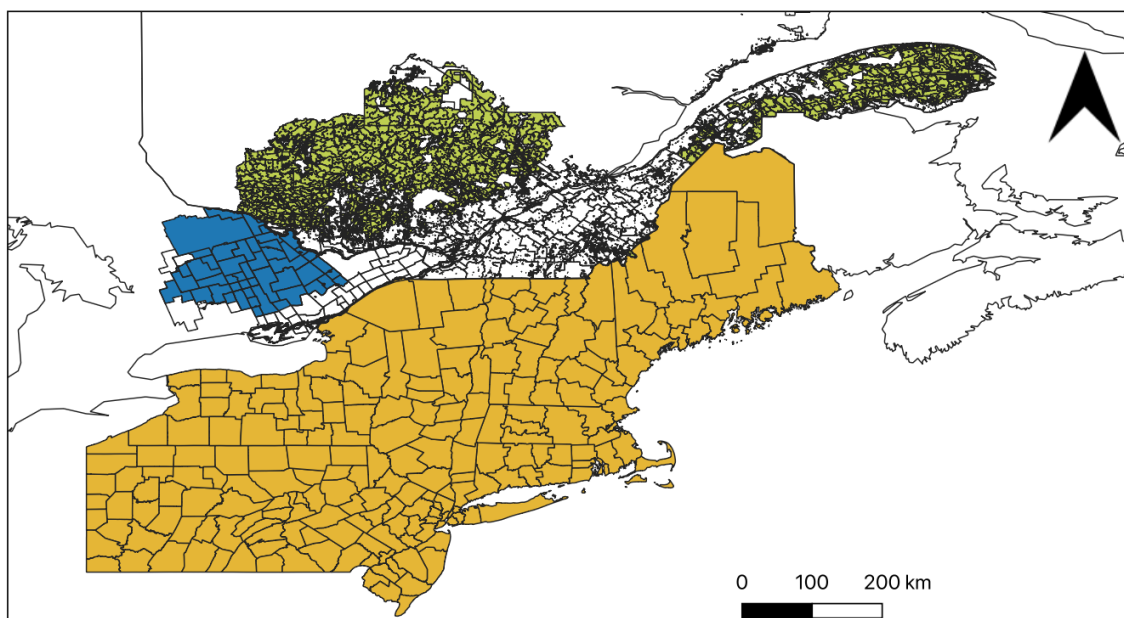
Annex 2 is generated if RED II SBE is in the scope for each country separately.

Country	Canada
Area/Region	32.76
Exclusions	Côte-Nord, Lac-St-Jean
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	Yes - Majority

years of felling?	
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 the feedstock is sourced from primary and secondary processing facilities and is always delivered with either the FSC Mix Credit or the FSC Controlled Wood claim. To access markets overseas, the scope of Energex certificate includes an SBE to enable it to increase the proportion of SBP RED Compliant Biomass in its feedstock. The SBE applies only to feedstock sourced from the province of Quebec covered by an existing SBP Regional Risk Assessment.	
Feedstock types included in SBE:	Processing residues
Includes RED II SBE:	No
Includes RED II TOF:	No
Size of Supply Base area (million ha):	32.7600
Map(s) of the Supply Base area:	
=Supply Base area is estimated based on supplier wood supply declarations and public GIS information of provinces and states.	

Country	United States
Area/Region	46.99
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 the feedstock delivered to the mill is certified FSC Mix and FSC Controlled Wood. Accordingly, the fibre originating from these states is SBP eligible feedstock.	

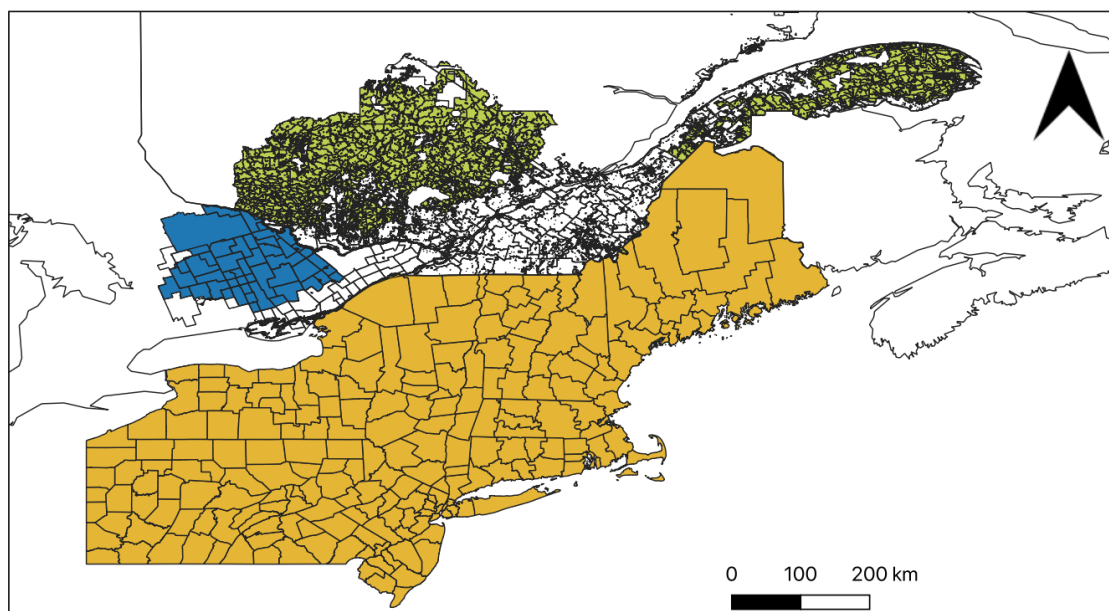
Combustibles Granules Energex inc. Supply Base Map 2025



Canada	Ontario
Canada	Ontario Private
Québec	Ontario FM
Qc Private Tenure	United States
Public forests Quebec 2025	States part of Energex Supply Base 2025

Feedstock types included in SBE:	N/A
Includes RED II SBE:	No
Includes RED II TOF:	No
Size of Supply Base area (million ha):	46.9870
Map(s) of the Supply Base area:	
The supply base area is estimated based on state boundaries and reported statistics of forest area by private and public tenure.	

Combustibles Granules Energex inc. Supply Base Map 2025



- | | |
|--|---|
| ☐ Canada | Ontario |
| Canada | ☐ OntarioPrivate |
| Québec | ☒ Ontario FM |
| ☐ Qc Private Tenure | United States |
| ☒ Public forests Quebec 2025 | ☒ States part of Energex Supply Base 2025 |

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
Betula alleghaniensis	yellow birch
Prunus serotina	cherry
Quercus rubra	Red oak
Quercus alba	White oak
Acer saccharinum	silver maple
Acer saccharum	sugar maple
Fraxinus americana	black ash
Fraxinus americana	white ash
Fagus grandifolia	american beech
Juglans nigra	black walnut
Juglans regia	walnut
Ulmus americana	white elm
Ostrya virginiana	american hp-hornbeam
Picea glauca	White spruce
Picea mariana	black spruce
Picea rubens	red spruce
Larix laricina	larch
Pinus banksiana	jack pine
Pinus strobus	white pine
Pinus resinosa	red pine
Tsuga canadensis	eastern hemlock
Abies balsamea	balsam fir

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

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. In mixed-hardwood forests, large wind-throw areas do occur but are less common than large disturbances found in the boreal forest. This is why salvage logging in this part of the supply base is extraordinary.

- e. Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%):** 19.00
- f. Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 81.00
- 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 (%):** 0.00
- j. Select forest type(s) where the primary feedstock was sourced from:** Other
- k. Select the main harvesting system(s) used for the sourced primary feedstock:** Other
- l. Volume of primary feedstock from primary forest:**
- m. Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Chips, Sawdust
- n. Share of SBP-recognised system claim for processing residues:**

100 % FSC

- o. Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Chips, Sawdust
- p. Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** 100000 tonnes
- q. What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 1000000.00 m3

Explanation: More than 30million m3 of primary feedstock can be harvested in the province of Quebec. A fraction is sourced as primary feedstock by biomass producers. More than 36 mills generating energy of which 13 are pellet producers exist in Quebec.

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). RED II Supply Base Evaluation details are reported in Annex 2.

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

3.1 Summary of the Supply Base Evaluation

All of Energex's feedstock is residues from processing facilities either FSC Mix Credit (i.e. SBP Red Compliant Biomass) or FSC Controlled Wood (i.e. SBP RED Controlled Sources). The SBE is for feedstock sourced from the province of Quebec which is covered by the SBP Quebec interim RRA. Implementing mitigation measures for specified risks identified by the RRA will allow Energex to increase its output of SBP Red Compliant Biomass.

A 30 day public consultation from April 14 until May 13 2025 of identified stakeholders was conducted by Energex. Their suppliers, private woodlot associations and forest contractor member organizations were invited to share their comments on the proposed mitigation measures and monitoring.

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: woodlots without assistance programs, Quebec	
Risk Assessment used:	
	☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
1.1.1 Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.	
Description of the specific risk:	
Compliance with all laws and regulations could not be confirmed at the provincial level due to the absence of professional supervision for forest activities undertaken without the use of assistance programs for private woodlots.	

Mitigation measure:
Annual reports of private woodlot regional agencies confirm a continuous level of outreach efforts about sound forest management practices to forest woodlot owners, professionals foresters, loggers in terms of training activities and monitoring conducted by regional agencies.
Monitoring and outcomes:
Results of the documentation review of regional agencies annual reports confirm their monitoring and training activities by both the regional agencies and the marketing boards. All marketing boards maintain a list of contractors available for woodlot owners.
Next year's documentation review will assess if the agencies and marketing boards offer the same level of training and monitoring activities, and if the list of contractors has been updated and why.
If marketing boards and regional agencies have significantly changed their procedures, it will be important to contact the marketing board and the regional agencies to understand how it may impact outreach to stakeholders and monitoring of harvest activities.

Country: Canada
Area/sub-scope: woodlots without assistance programs, Quebec
Risk Assessment used:
☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ Biomass Producer's own risk assessment
Indicator with specified risk:
2.1.1 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.
Description of the specific risk:
The regional risk analysis for the province of Quebec concludes that it is not able to confirm that the main biodiversity-related characteristics of Indicator 2.1.1 are identified within the organization's supply area for harvesting activities carried out outside the private forest development progr
Mitigation measure:
The main biodiversity-related characteristics of Indicator 2.1.1 are identified within the organization's supply zone in the PPMV - Protection, Maintenance and Restauration Management Plan which are publicly accessible.
Monitoring and outcomes:
The documentation review of all regional PPMV confirm they all include the identification of biodiversity and

HCV characteristics of their respective regions.

It was found that some regional agencies did not publish annual results of the PPMV objectives as they had planned in the PPMV. The biomass producer will contact the regional agencies to collect any data they have collected to demonstrate the implementation of the PPMV.

Country: Canada

Area/sub-scope: woodlots without assistance programs, Quebec

Risk Assessment used:

- ☐ British Columbia, Canada
- ☐ Denmark
- ☐ Estonia
- ☐ Latvia
- ☐ Lithuania
- ☒ Quebec, Canada
- ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

2.1.2 Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.

Description of the specific risk:

The regional risk analysis for the province of Quebec concludes that it is not able to confirm whether the impacts of harvesting activities carried out outside the private forest development program on the main biodiversity-related characteristics of Indicator 2.1.1 are known.

Mitigation measure:

The information collected annually (PPMV, training activities, documentation on BMP) from marketing boards and private Woodlot agencies show that, within the supply zone, stakeholders have been informed about the impacts of forest harvests on identified HCV in 2.1.1.

Monitoring and outcomes:

Results of the documentation review of regional agencies annual reports confirm their monitoring and the training activities by both the regional agencies and the marketing boards. All marketing boards maintain a list of contractors available for woodlot owners.

Next year's documentation review will assess if the agencies and marketing boards offer the same level of training and monitoring activities, and if the list of contractors has been updated and why.

If marketing boards and regional agencies have significantly changed their procedures, it will be important to contact the marketing board and the regional agencies to understand how it may impact outreach to stakeholders and monitoring of harvest activities.

Country: Canada	
Area/sub-scope: woodlots without assistance programs, Quebec	
Risk Assessment used:	
	☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ 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:	
The regional risk analysis for the province of Quebec concludes that it is not able to confirm whether key biodiversity features and HCV areas are being maintained or enhanced within the supply zones.	
Mitigation measure:	
The information collected annually (PPMV, training activities, documentation on BMP) from the regional PPMVs of private Woodlot agencies within the supply zone of the biomass producer show their are targets to maintain and to improve biodiversity and HCV values as well as training activities to private woodlot players involved in forest harvests.	
Monitoring and outcomes:	
Results of the documentation review of regional agencies annual reports confirm their monitoring and training activities by both the regional agencies and the marketing boards. All marketing boards maintain a list of contractors available for woodlot owners. Next year's documentation review will assess if the agencies and marketing boards offer the same level of training and monitoring activities, and if the list of contractors has been updated and why. If marketing boards and regional agencies have significantly changed their procedures, it will be important to contact the marketing board and the regional agencies to understand how it may impact outreach to stakeholders and monitoring of harvest activities.	

Country: Canada	
Area/sub-scope: Public forests, Quebec	
Risk Assessment used:	
	☐ British Columbia, Canada

	☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ 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:	
The federal recovery plan for the boreal caribou aims to reduce the rate of disturbance to its habitat and targets the maintenance and restoration of large forest areas important for the boreal caribou.	
Mitigation measure:	
The sourcing regions of EnergeX's non-certified suppliers are located outside the habitat of the boreal caribou, according to supplier declarations and feedstock analysis at time of delivery.	
Monitoring and outcomes:	
All non certified feedstock is sourced from mills which do not source feedstock from forests where caribou habitat has been officially recognized. They are located south of the St-Lawrence river and West of the Chaudière Appalaches region.	

Country: Canada	
Area/sub-scope: Public Forests, Quebec	
Risk Assessment used:	
	☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ 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:	
IFLs have been identified in public forests by Global Forest Watch Canada and international organizations. As of January 1, 2017, IFLs represent forest tracts of at least 500 km ² in area and a minimum width of 2 km.	

Mitigation measure:
The sourcing regions of Energex's non-certified suppliers do not source their feedstock from intact forest landscapes recognized by Global Forest Watch Canada.
Monitoring and outcomes:
All non certified mill suppliers are located south of the St-Lawrence river. The most southern IFL is in the Quebec area and is currently administratively protected from harvesting. There is no operation planned in the area.

Country: Canada
Area/sub-scope: woodlots without assistance programs, Quebec
Risk Assessment used:
☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ Biomass Producer's own risk assessment
Indicator with specified risk:
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced
Description of the specific risk:
The regional risk analysis for the province of Quebec concludes that it is not able to confirm the maintenance or improvement of soil quality within the supply zones of harvesting activities carried out outside the private forest development program.
Mitigation measure:
'Annual reports of private woodlot regional agencies confirm a continuous level of outreach efforts about sound forest management practices to forest woodlot owners, professionals foresters, loggers in terms of training activities by both marketing boards and regional agencies and monitoring conducted by regional agencies.
Monitoring and outcomes:
Results of the documentation review of regional agencies annual reports confirm their monitoring and training activities by both the regional agencies and the marketing boards. All marketing boards maintain a list of contractors available for woodlot owners.
Next year's documentation review will assess if the agencies and marketing boards offer the same level of training and monitoring activities, and if the list of contractors has been updated and why.

If marketing boards and regional agencies have significantly changed their procedures, it will be important to contact the marketing board and the regional agencies to understand how it may impact outreach to stakeholders and monitoring of harvest activities.

Country: Canada	
Area/sub-scope: Private woodlots, Quebec	
Risk Assessment used:	
	☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.4 Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.	
Description of the specific risk:	
The regional risk analysis for the province of Quebec concludes that it is not able to confirm whether the harvesting of logging residues and/or stumps in private forests causes negative or irreversible impacts on forest ecosystems.	
Mitigation measure:	
'With supplier contracts and feedstock analyses at time of reception, the BP confirms it does source feedstock from the collection of harvest residues.	
Monitoring and outcomes:	
Suppliers, supplier contracts, delivery records and feedstock analyses and the BP's facility capabilities demonstrate the BP does not use harvest residues as feedstock.	

Country: Canada	
Area/sub-scope: woodlots without assistance programs, Quebec	
Risk Assessment used:	
	☐ British Columbia, Canada ☐ Denmark ☐ Estonia

	☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.	
Description of the specific risk:	
The regional risk analysis for the province of Quebec concludes that it is not able to confirm the quality and quantity of groundwater, surface water, and downstream water are maintained or improved in the supply zones for activities outside the private forest development program.	
Mitigation measure:	
'Annual reports of private woodlot regional agencies confirm a continuous level of outreach efforts about sound forest management practices to forest woodlot owners, professionals foresters, loggers in terms of training activities by both marketing boards and regional agencies and monitoring conducted by regional agencies.	
Monitoring and outcomes:	
• • 'Results of the documentation review of regional agencies annual reports confirm their monitoring and training activities by both the regional agencies and the marketing boards. All marketing boards maintain a list of contractors available for woodlot owners. • • Next year's documentation review will assess if the agencies and marketing boards offer the same level of training and monitoring activities, and if the list of contractors has been updated and why. • • If marketing boards and regional agencies have significantly changed their procedures, it will be important to contact the marketing board and the regional agencies to understand how it may impact outreach to stakeholders and monitoring of harvest activities.	

Country: Canada	
Area/sub-scope: woodlots without assistance programs, Quebec	
Risk Assessment used:	
	☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	

2.2.10 Harvested areas shall be regenerated
Description of the specific risk:
The regional risk analysis for the province of Quebec concludes that it is not able to confirm that regeneration of harvested sites is ensured for operations undertaken outside the private forest development program.
Mitigation measure:
'Annual reports of private woodlot regional agencies confirm a continuous level of outreach efforts about sound forest management practices to forest woodlot owners, professionals foresters, loggers in terms of training activities by both marketing boards and regional agencies and monitoring conducted by regional agencies.
Monitoring and outcomes:
• • 'Results of the documentation review of regional agencies annual reports confirm their monitoring and training activities by both the regional agencies and the marketing boards. All marketing boards maintain a list of contractors available for woodlot owners. • • Next year's documentation review will assess if the agencies and marketing boards offer the same level of training and monitoring activities, and if the list of contractors has been updated and why. • • If marketing boards and regional agencies have significantly changed their procedures, it will be important to contact the marketing board and the regional agencies to understand how it may impact outreach to stakeholders and monitoring of harvest activities.

Country: Canada
Area/sub-scope: woodlots without assistance programs, Quebec
Risk Assessment used:
☐ British Columbia, Canada ☐ Denmark ☐ Estonia ☐ Latvia ☐ Lithuania ☒ Quebec, Canada ☐ Biomass Producer's own risk assessment
Indicator with specified risk:
3.2.2 Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.
Description of the specific risk:
The regional risk assessment for the province of Quebec concludes that it is not able to confirm that impacts are minimized on sites sensitive to nutrient loss and unproductive for harvesting activities carried out outside

the private forest development program.

Mitigation measure:

The organization does not source raw material directly from the forest (i.e., primary).

Monitoring and outcomes:

Suppliers, supplier contracts, delivery records and feedstock analyses and the BP's facility capabilities demonstrate the BP does not use harvest residues as feedstock.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 14 Apr 2025

Biomass Producer's stakeholder engagement end date: 13 May 2025

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:

Emails and phone interviews were used to collect and to exchange with identified stakeholders. An email notification was sent out to private and to organizational emails. A follow-up communication occurred half way through and at the end of the consultation period. A summary of comments and finalized mitigation measure process was shared with identified stakeholders.

4.2 Response to stakeholder comments

Stakeholder description: Marketing board

Stakeholder comment: Marketing boards are unable to confirm all applicable laws and regulations have been complied with.

Response to the stakeholder: The mitigation measures for indicator 1.1.1 was modified to acknowledge the capacities and roles of the marketing boards.

Stakeholder description: Marketing board

Stakeholder comment: Aerial photos can detect significant harvest activities (ie. more than 30% greater than 1ha) but will not allow to determine regulation compliance.

Response to the stakeholder: Since Energex's feedstock is secondary, the objective of the mitigation measure is to assess woodlot owners and loggers are regularly informed about regulations and BMPs.

Stakeholder description: Marketing board

Stakeholder comment: Private woodlots are located where the great majority of the population live. Municipal inspectors and neighbours are aware of inappropriate forest operations.

Response to the stakeholder: Mitigation measures were adapted to rely more on the regulatory and judicial systems to assess compliance of harvest operations.

Stakeholder description: Marketing board

Stakeholder comment: Marketing boards and first processing facilities are rarely involved in forest operations. They will not conduct field visits..

Response to the stakeholder: Mitigation measures for indicators 2.1.1-3, 2.2.3, 2.2.5, 2.2.10 goals are, on the one hand, to raise the awareness of private woodlot actors to biodiversity and environmental issues. Annual review will assess if the level of efforts is similar from previous year, and if not why.

Stakeholder description: Marketing board

Stakeholder comment: Who will document and assess forest operations maintained, improved or restored soil and water resources or appropriate regeneration after harvests?

Response to the stakeholder: The mitigation measures recognizes the limited role of BP sourcing secondary feedstock. It will assess if private woodlot actors have and are informed/trained on BMPs. Annual review will assess if the level of efforts is similar from previous year, and if not why.

Stakeholder description: Marketing board

Stakeholder comment: Use of forest harvest residuals is also considered as wood manufacturing.

Response to the stakeholder: The mitigation measure for indicator 2.2.4 was modified specifying the BP sources feedstock only from first and second processing facilities.

Stakeholder description: Marketing board

Stakeholder comment: evaluate how well woodlot owners are aware of biodiversity and HCV is challenging. Conformance of harvest operations should be done on a sampling basis.

Response to the stakeholder: For the moment, mitigation measures focus on raising the awareness of all private woodlot actors. Annual review will assess if the level of efforts is similar from previous year, and if not why.

5 Report updates and approval

This document is: Updated SBR (surveillance audits/scope-change audits)

The SBE now includes mitigation measures for secondary feedstock sourced from private woodlots and public lands located in the province of Quebec. The previous SBE only included forest origins on public lands. The cote-nord region was excluded from the Supply Base for this ending reference period. The mitigation measures were updated considering comments received during the public consultation of the SBE. The analysis of preliminary results establishes a reference for future comparisons.

Name	Nicolas Blanchette
Title	Consultant
Date of report approval	27 May 2025

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: RED II Supply Base Evaluation

Not Applicable (RED II SBE not included)

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 mill has a long standing relationship with its suppliers. Energex mandates a panel manufacturer to secure its feedstock needs and particularities. Information and commitments are collected and renewed on an annual basis from suppliers. All suppliers are 1st and 2nd processing facilities.

Feedstock inspection and classification upon receipt

The quality manager:

- a) Checks the quality of each delivery.
 - A sample of the delivery is bagged and analyzed.
 - Samples, analyzes are archived and available for verification by the Registrar.
- b) Completes the non-compliance sheet when:
 - The quality or type of raw material does not meet the expectations of the organization
 - If it is impossible to confirm at the time of receipt the category of the material delivered, the material will not be accepted otherwise an on-site audit of the supplier will be undertaken.

Supplier audit for processing residues and post-consumer feedstock

An audit of secondary and tertiary material suppliers.

- Intermediaries who do not take possession of the material can be assessed remotely.
- The audit may be carried out by a subcontractor.
- The organization will justify the intensity of its audits of these suppliers.
- no audits will be carried out for suppliers of sawdust and shavings, nor for suppliers of secondary processing.
- for suppliers of primary wood chips, in preparation for the internal audit, ensure that suppliers have been visited and sampled according to the following criteria:
 - they are active suppliers of primary roundwood chips;
 - sample at least x suppliers according to the formula $0.6 \times \text{square root of the number of suppliers selected}$;
 - prioritize the most important suppliers.
 - If suppliers refuse to visit their facilities, they will no longer be able to deliver raw material to Energex.
- Plant visits will evaluate the following criteria:
 - Raw materials in the plants
 - Presence or absence of machinery for roundwood chipping
 - Whether the supplier has chipped roundwood, and if so, why;
- Where applicable, if the auditor notes the possibility of non-compliance with REDII by-product definitions, the following elements of the supplier will be examined:
 - Procedures/instructions implemented to control and classify secondary or tertiary material
 - Training given to personnel to carry out this control and classification
 - Records confirming the origin of the material.
 - Audits should be documented, specifying the date they were carried out, the observations, names and qualifications of the auditors, and examples of evidence confirming the classification of the material.
 - If it is demonstrated that the supplier has generated and delivered by-products to Energex that do not respect their REDII commitment, i.e. that they have modified their production process with the deliberate aim of producing roundwood chips, Energex will stop all deliveries from this supplier. Deliveries may only be resumed if the supplier has first demonstrated how it will comply with the REDII by-product definition.

Annex 4: 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).

Not Applicable (RED II TOF not included)