



Supply Base Report: Granules Combustibles Energex inc

First Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.4

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: Gilbert Lucie, +1 (819) 583-5131 ext 605, lgilbert@lignetics.com

Company website: <https://energex.com>

Date report finalised: 19 May 2022

Close of last CB audit: 21 Jun 2022

Name of CB: Preferred by Nature OÜ

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, SBP Standard 1: Feedstock Compliance Standard

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: Not applicable, Quebec, Canada

Weblink to SBR on Company website: N/A

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re-assessment
☐	☒	☐	☐	☐	☐

2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary

Includes Supply Base evaluation (SBE): Yes

Feedstock origin (countries): Canada, United States

2.2 Description of countries included in the Supply Base

Country:Canada

Area/Region: Quebec

Exclusions: Yes

The biomass producer's feedstock consists only of by-products generated from first and secondary processing facilities. The BPs supplier buys the feedstock from these manufacturers who deliver directly to the biomass producer's facilities in Lac-Mégantic. The origins of the primary feedstock is determined with public information about the facilities provided by the Quebec government and the sub suppliers' responses to surveys concerning their supply basket. It is recorded and mapped on woodsupplychain.com. This information allows us to define forests of supply in terms of tenure, province/ state and country.

The approved SBP Quebec Regional Risk Assessment concluded low risks for all indicators related to feedstock sourced from all forest management tenures on public tenure. Excluding forest management units 06151, 05151 on public land, all FMU's are certified under FSC, SFI or both forest certification schemes in the province of Québec. The area covers the boreal and mixed forests biomes. This includes the Eastern Boreal Transition Forests, the Eastern Great Lakes Lowland Forests, the New England/Acadian Forests and the Eastern Canadian Forests.

Although the biomass producer does not source feedstock directly from forests, 2.4% percentage of the allocated volume from public forests are for energy purposes. It consists of un-merchantable wood such as branches and 2% is for biomass producers (ref. MFFP Supply Guarantee 2018- 2023).

The forest sector is an important economic driver in Canada. In Quebec, it represented 8.9% of the workforce with more than 11% of salaries in 2019.

There are several species at risk found on public forests. To name a few sensitive to forest operations, we find the American ginseng (*Panax quinquefolius*), Furbish's Lousewort (*Pedicularis furbishiae*), the woodland caribou (*Rangifer tarandus caribou*), the Wood turtle (*Glyptemys insculpta*) and the Blanding's turtle (*Emydoidea blandingii*). Best management practices and regulations are implemented to mitigate the risk of forest operations on these species. The American elm (*Ulmus Americana*), White ash (*Fraxinus americana*) are listed as endangered by the IUCN but neither by federal and provincial governments nor by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC). According to the IUCN, threats to White Ash and American elm are from invasive non- native/alien species/diseases and not

related to forestry practices. These species are found in the southern part of the supply base in mixed stands and can be harvested although they are usually of non commercial dimensions.

Country:United States

Area/Region: New York, Pennsylvania, Vermont, New Hampshire, Maine, Massachusetts, Connecticut, Rhode Island

Exclusions: No

All raw material deliveries are received either FSC Mix or FSC Controlled Wood. Supply is managed and sourced by a unique supplier, a panel manufacturer FSC certified, located in the same town as the biomass producer in Lac-Mégantic, Québec, Canada. The majority of sub suppliers are located along the American border in Southern Quebec with only 7% of them located in the states of New Hampshire and Maine.

The supply base was confirmed with the portal woodsupplychain.com and with the documents and information collected from suppliers such as transport tickets and customs forms. Wood fibre sourced from the United States is from New York, Pennsylvania, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, and Maine. State forests in New York, Pennsylvania and Massachusetts have dual forest management certifications under FSC and SFI. Certified forests on private land are found in all eight states part of the supply base. The vegetation biome is mixed softwood and hardwood forests. There is a greater diversity and quality of tree species in this part of the supply base (e.g. maples, oaks, walnuts, birches, poplars, pines, spruces).

STATES	TIMBERLAND AREA	CUBIC FEET OF WOOD IN FOREST	PROTECTED LANDS ¹
Maine	Stable since 1960	+5.8% increase from 2010	11%
New Hampshire (2012)	Loss of 1.5%	+1.8% since 2012	25%
Vermont (2012)	Loss of 1.9%	+1% increase since 2012	15%
New York (2014)	Loss of 1.6%	-	13%

Massachusetts (2012)	Stable	+5.5% increase	15%
Rhode Island (2017)	+ 0.8%	+6.4% increase	9%
Connecticut (2017)	+ 2.9%	+6.7% increase	8%

¹ Gap classes 1, 2 and 3
(<https://usforests.maps.arcgis.com/>)

National Forests are managed by the US Forest Service. State Forests and other woodlands are managed under state legislation. Wood harvests in all states is marketed mainly for pulpwood and sawlogs. Biomass is part of the landscape for over 20 years and some cases represent more than 25% of total products harvested.

In Maine, the forest sector generates 8.5\$ billion and represent 27% of the state's total exports. In New Hampshire, the forest industry and recreation generate 3.8\$ billion to the economy. In Vermont, the forest sector maintains more than direct 10,000 jobs with an annual output in the economy of 1.5\$ billion. In New York, more than 41,000 direct jobs and generates more than 13.1\$ billion in direct output in the economy. In Pennsylvania, 10% of the state's total workforce is from the forest industry. More than 12,000 jobs comes directly from the forest industry in Connecticut with 3.3\$ billion output in the economy. In Massachusetts, it is more than 26,000 jobs and over 5.2\$ billion economic output. With a small forest land base, Rhode Island still generates close to 5,000 jobs and over 1\$ billion in the economy.

There are several species at risk found in the North East region of the United States for example the Northern long-eared and Indiana bats, the spotted and spiny soft-shell turtles, the common five-lined skink, the timber rattlesnake, the American ginseng and small whorled pogonia. A low risk designation for species at risk in the region has been determined by the FSC US National Risk Assessment version 1.0.

Country:Canada

Area/Region: Ontario, Quebec (private tenure), New Brunswick

Exclusions: Yes

The supply base was confirmed with the portal woodsupplychain.com and with the documents and information collected from sub-suppliers such as transport tickets and customs forms. The supply base includes the following WWF Ecoregions: the Eastern Boreal Transition Forests, the Eastern Great Lakes Lowland Forests, the New England/Acadian Forests, the Eastern Canadian Forests and the Gulf of St-Lawrence Lowland Forests. In terms of biomes, we find a small proportion of boreal forest in Quebec and New Brunswick. The remainder are considered mixed forests of hardwood and softwood tree species. Most common trees are Balsam Fir, spruces, maples, aspens, larches, hemlock, oaks, ashes, willows, etc.

The extent of the supply base to the West includes only the south eastern part of the province of Ontario. Wood supply from the province of Quebec is mostly in the meridional regions going as far as the Côte-Nord region to the North East and the Gaspé peninsula to the East. This is where the boreal biome is found accounting for 13% of the total supply base of the biomass producer. Wood supply origin is from anywhere in the province of New Brunswick.

In Ontario, Quebec and New Brunswick, supply from public forests is mainly from certified lands. In Ontario, all forest management units part of the supply base (4) are certified of which three are FSC and one is CSA (approved by PEFC). During the 5-year period between 1995 and 2020, 2% of the total wood allocation in Ontario was for biomass of which less than half was allocated from forest management units part of the supply base (Report on forest management, Ontario). All but two forest management unit in Quebec (06151, 05151) and in New Brunswick (License #5) are not certified under any forest certification schemes. In Quebec, 2.4% of the total volume allocated on public forest is in branches of un-merchantable wood generally for energy production and 2% is for biomass producers (ref. MFFP Supply Guarantee 2018-2023). As for private woodlots, several forest certificate holders are located in Ontario, Quebec and New Brunswick. In New Brunswick, the total annual allowable cut on Crown land is 5.7Mm³ of which an estimated 1% is allocated to biomass producers.

The forest sector is very important to these provinces. In Quebec, it represented 8.9% of the workforce with more than 11% of salaries in 2019. Forest product exports accounted for more than 10% of total exportations. In New Brunswick, more than 7% of the workforce is from the forest industry (2016). Firms from the sector represent 8% of all firms of the province. In Ontario, the forest sector maintains more than 150,000 jobs representing more than 21% of total forest workforce of the country and over 12\$ billion in the Ontario economy.

In Canada, forest management is the constitutional responsibility of the provincial governments. Laws, communications and their application are part of the provincial governments responsibilities. Forest management plans and regulation compliance are undertaken by their respective ministries, the Ministry of Natural Resources and Forestry in Ontario, the Ministry of Forests, Wildlife and Parks in Quebec and the Department of Natural Resources and Energy Development in New Brunswick. Sustainable forest management is implemented with a comprehensive set of laws, regulations and guidelines for each province. The great majority of forest lands are naturally managed forests. Harvest operations are a mixture of partial and final cuts. A very small proportion of the total commercial forest area consist of plantations also called intensive production forests. These are mostly found on private lands.

There are several species at risk found in the supply base. Sensitive to forest operations, we have the American ginseng (*Panax quinquefolius*), Furbish's Lousewort (*Pedicularis furbishiae*), the Pale-belly Frost Lichen (*Physconia subpallida*), the woodland caribou (*Rangifer tarandus caribou*), the Wood turtle (*Glyptemys insculpta*) and the Blanding's turtle (*Emydoidea blandingii*). Best management practices and regulations are implemented to mitigate the risk of forest operations on these species. The American elm (*Ulmus Americana*), White ash (*Fraxinus americana*) are listed as endangered by the IUCN but neither by federal and provincial governments nor by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC). According to the IUCN, threats to White Ash and American elm are from invasive non-native/alien species/diseases and not related to forestry practices. These species are found in the southern part of the supply base in mixed stands and can be harvested although they are usually of non commercial dimensions.

2.3 Actions taken to promote certification amongst feedstock supplier

Promotion of forest certification is ongoing in the region for more than two decades. The Quebec Wood Export Bureau (QWEB), the provincial and federal governments promote and support businesses throughout the forest value chain to become certified. The great majority of public forests in the supply base from the provinces of Ontario, Quebec and New Brunswick are certified under FSC and SFI forest certification schemes. The biomass producer is a QWEB member and its direct and only supplier is FSC certified.

No feedstock sourced from final fellings is used in wood pellet production.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 203,91
- b. **Tenure by type (million ha):**144.87 (Privately owned), 59.04 (Public)
- c. **Forest by type (million ha):**63.89 (Boreal), 197.02 (Temperate)
- d. **Forest by management type (million ha):**203.91 (Managed natural)
- e. **Certified forest by scheme (million ha):**12.12 (FSC), 16.06 (SFI), 0.44 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Clearcutting

Explanation: Harvesting in boreal forests mimic natural disturbance patterns and intensity. Harvest blocks vary in size from 150-200ha to a more common 50ha. Clearcuts are more common in the boreal forest where natural disturbances can impact forests at a landscape level. Forest management is based on ecosystem based management and integrated in the Quebec Forest Act. In the mixed hardwood forests of the southern part of the supply base in Ontario, Quebec, New Brunswick and North eastern states, harvest areas are on average smaller in size and where selective cutting is more common practice. This is because natural disturbances are smaller in size in terms of patches or groups of trees. Stand composition is also more diverse in terms of species and structure.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: The great majority of forest harvests in the supply base is for sawlogs, veneer, pulp logs and biomass. As mentioned above, a very small proportion of volume allocated on public forests in Canada is for biomass purposes (below 5%). In the United States, state reports suggest forest biomass harvest can represent up to 30% of the total volume harvested in individual states included in the supply base. A small percentage of this 30% is dedicated to pellet manufacturers, the majority supplying energy generation facilities.

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

Explanation: Forest management legislation in Canada and the United States on both public and private land require sites to remain productive and regenerated within 5 years of felling.

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. 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.

Feedstock

Reporting period from: 01 Jan 2021

Reporting period to: 31 Dec 2021

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 0 N/A
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: N/A
 - Not certified to an SBP-approved Forest Management Scheme: N/A
- d. **List of all the species in primary feedstock, including scientific name:** N/A
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
 - Name of species: N/A
 - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. **Proportion of biomass composed of or derived from saw logs (%):** N/A
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
- k. **Volume of primary feedstock from primary forest:** N/A N/A
- l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. **Volume of secondary feedstock:** 1-200,000 tonnes
 - Physical form of the feedstock: Sawdust
- n. **Volume of tertiary feedstock:** 0 N/A
 - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period

Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	0,00	0,00	0,00	0,00
Secondary	85,14	14,86	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? Yes

The biomass producer sources wood residues generated by primary and secondary processing facilities. An in depth analysis of the sub suppliers located in the province of Quebec sourcing wood from public forests was undertaken to determine the proportion of their total feedstock sourced from public forests. Once this proportion is appropriately supported, it is used to calculate the amount of the deliveries that can be considered sourced from public forests.

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: Secondary

SBP-endorsed Regional Risk Assessments used: Not applicable, Quebec, Canada

List of countries and regions included in the SBE:

Country: Canada

Indicator with specified risk in the risk assessment used:

1.6.1 The BP has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.

Specific risk description:

Even though some Nations have signed consultation and accommodation agreements, the assessment is not able to conclude that there is a low risk that forest activities violate the rights of First Nations in private forests.

Country: Canada

Indicator with specified risk in the risk assessment used:

2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description:

Forest activities may be carried out without assistance programs, such as those for private woodlot development and property tax refunds. As a result, these activities are not subject to the same requirements of sound forestry practices and the same frequency of professional monitoring. Even though these activities must comply with development plans, municipal by-laws and other laws and regulations associated with logging in private woodlots, it is difficult to ascertain whether HCVs are identified and mapped on these properties.

Country: Canada

Indicator with specified risk in the risk assessment used:

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

According to the information analyzed on harvesting operations in uncertified private forests without an assistance program, there is a specified risk that the potential threats of forest development activities to HCVs are not adequately taken into account by current procedures and control systems (see indicator 2.1.1).

Country: Canada

Indicator with specified risk in the risk assessment used:

2.2.1 The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.

Specific risk description:

A specified risk in private forests to the extent that monitoring mechanisms need to be identified and, in the case of work not carried out under a program, the identification of potential impacts and the appropriate planning are uncertain.

Country: Canada

Indicator with specified risk in the risk assessment used:

2.2.2 The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)

Specific risk description:

Specified risk in private forests to the extent that monitoring mechanisms need to be identified and, in the case of work not carried out under the program, the identification of possible impacts and the requisite planning are uncertain.

Country: Canada

Indicator with specified risk in the risk assessment used:

2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description:

According to information analyzed on harvesting in uncertified private forests that do not benefit from an assistance program, there is a specified risk that these forest practices will not ensure protection and maintenance of biodiversity. Municipalities or RCMs may have by-laws governing such practices, but such by-laws are specific to each as are the resources deployed to check compliance by forest owners.

Country: Canada

Indicator with specified risk in the risk assessment used:

2.2.5 The BP has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.

Specific risk description:

Private forests without development assistance:

Forest activities may be carried out without assistance programs, such the programs for the private forest management program and the property tax refund program. As a result, these activities are not subject to

the same requirements of sound forest practices and the same frequency of professional monitoring. Even though these activities must comply with development plans, by-laws and other laws and regulations associated with logging in private forests, it is difficult to verify whether the harvesting of forest biomass in private forests without development assistance minimizes impacts on the forest environment.

Country: Canada

Indicator with specified risk in the risk assessment used:

2.2.6 The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).

Specific risk description:

Private forests without development assistance:

Forest activities may be carried out without assistance programs, such as the managing private forests assistance program and the property tax refund program. Such activities must comply with development plans, municipal by-laws and other laws and regulations associated with logging in private forests. As a result of uneven monitoring of forest operations in private forests without development assistance, it is not possible to verify whether negative impacts on the water system are minimized in such forests.

4.2 Justification

The SBP RRA for the province of Quebec conducted the analysis and was not modified by the biomass producer.

4.3 Results of risk assessment and Supplier Verification Programme

Not applicable. The SBP Quebec RRA conclusions were used. As no unspecified risk was found, an SVP was not required.

4.4 Conclusion

The biomass producer used the conclusions of the SBP Quebec RRA.

5 Supply Base Evaluation process

The SBP Quebec RRA was used.

6 Stakeholder consultation

Stakeholder consultation by the biomass producer was undertaken via email or by phone to inform them about the adopted mitigation measure to only account for the proportion of deliveries originally sourced from public forests.

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

Country: Canada

Specified risk indicator: 1.6.1 The BP has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.

Specific risk description: Even though some Nations have signed consultation and accommodation agreements, the assessment is not able to conclude that there is a low risk that forest activities violate the rights of First Nations in private forests.

Mitigation measure: Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.

Country: Canada

Specified risk indicator: 2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description: Forest activities may be carried out without assistance programs, such as those for private woodlot development and property tax refunds. As a result, these activities are not subject to the same requirements of sound forestry practices and the same frequency of professional monitoring. Even though these activities must comply with development plans, municipal by-laws and other laws and regulations associated with logging in private woodlots, it is difficult to ascertain whether HCVs are identified and mapped on these properties.

Mitigation measure: Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.

Country: Canada

Specified risk indicator: 2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description: According to the information analyzed on harvesting operations in uncertified private forests without an assistance program, there is a specified risk that the potential threats of forest development activities to HCVs are not adequately taken into account by current procedures and

control systems (see indicator 2.1.1).

Mitigation measure: Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.

Country: Canada

Specified risk indicator: 2.2.1 The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.

Specific risk description: A specified risk in private forests to the extent that monitoring mechanisms need to be identified and, in the case of work not carried out under a program, the identification of potential impacts and the appropriate planning are uncertain.

Mitigation measure: Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.

Country: Canada

Specified risk indicator: 2.2.2 The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)

Specific risk description: Specified risk in private forests to the extent that monitoring mechanisms need to be identified and, in the case of work not carried out under the program, the identification of possible impacts and the requisite planning are uncertain.

Mitigation measure: Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.

Country: Canada

Specified risk indicator: 2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description: According to information analyzed on harvesting in uncertified private forests that do not benefit from an assistance program, there is a specified risk that these forest practices will not ensure protection and maintenance of biodiversity. Municipalities or RCMs may have by-laws governing such practices, but such by-laws are specific to each as are the resources deployed to check compliance by forest owners.

Mitigation measure: Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.

Country:	Canada
Specified risk indicator:	2.2.5 The BP has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.
Specific risk description:	Private forests without development assistance: Forest activities may be carried out without assistance programs, such the programs for the private forest management program and the property tax refund program. As a result, these activities are not subject to the same requirements of sound forest practices and the same frequency of professional monitoring. Even though these activities must comply with development plans, by-laws and other laws and regulations associated with logging in private forests, it is difficult to verify whether the harvesting of forest biomass in private forests without development assistance minimizes impacts on the forest environment.
Mitigation measure:	Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.
Country:	Canada
Specified risk indicator:	2.2.6 The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).
Specific risk description:	Private forests without development assistance: Forest activities may be carried out without assistance programs, such as the managing private forests assistance program and the property tax refund program. Such activities must comply with development plans, municipal by- laws and other laws and regulations associated with logging in private forests. As a result of uneven monitoring of forest operations in private forests without development assistance, it is not possible to verify whether negative impacts on the water system are minimized in such forests.
Mitigation measure:	Exclude the mass/volume of deliveries from sub suppliers equivalent to the determined proportion of feedstock they source from private woodlots located in the province of Quebec.

7.2 Monitoring and outcomes

Sub suppliers are required to sign a wood supply declaration form confirming the forest origins of their wood supply and the proportion of their feedstock sourced from public and private land tenure in the province of Quebec. Declarations are updated annually. They also commit to provide notification if their supply base changes at any given time.

To renew their processing permit, each mill is required by law to complete an annual survey confirming the origins of their wood supply in terms of tenure, provinces and states. In agreement with the biomass producer, government representatives created groupings of sub suppliers to define their average proportion of feedstock sourced from public forests. These proportions are then used to determine the amount of each delivery that can be considered sourced from public forests and SBP Compliant Biomass.

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? Yes

9 Review of report

9.1 Peer review

N/A.

9.2 Public or additional reviews

N/a.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Nicolas Blanchette	INCOS Strategies, forest certification specialist	05 May 2022
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	Stewart McIntosh	Director, International Sales & Logistics	19 May 2022
	Name	Title	Date
Report approved by:	Ciara McCarthy	Senior Lead Auditor, SBP	08 Sep 2022
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A