



Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Granules Combustibles
Energex inc.

Fourth Surveillance Audit

Sustainable Biomass Program
sbp-cert.org





Completed in accordance with the CB Public Summary Report Template Version 2.1 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

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Yves Bouthillier
Audit team members:	Yves Bouthillier
Name of the Company:	Granules Combustibles Energex inc.
Company legal address:	3891 Président Kennedy, G6B 3B8 Lac-Mégantic (Québec), Canada
Company contact for SBP:	Alain Perreault
Company contact email:	aperreault@lignetics.com
Company website:	https://energex.com
Date of installation:	
SBP Certificate Code:	SBP-08-39
Date of certificate issue:	25 May 2021
Date of certificate expiry:	24 May 2026
Audit closing meeting date:	14 May 2025
Audit cycle:	Fourth Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Mikhail Rai
Date of decision:	09 Jul 2025
Other comments:	N/A

2.2 Open non-conformities and observations

NC number 5505		NC Grading: Major
Standard:	SBP Standard 2: Feedstock Verification v2.0	
Requirement:	1.1.3 The Organisation shall include a description of all operators involved in the production, harvesting and transport of feedstock and having an impact on conformance with SBP standards, including at least the following: – company names, – addresses of operating sites, – key contact person, – status of certification against SBP-recognised scheme (where relevant), and – stages within the feedstock supply chain from the sourcing area up to and including the Organisation’s own operations. N/A N/A N/A	
Description of Non-conformance and Related Evidence:		
During the audit, the BP has not prepared a description of all operators involved in the production, harvesting and transport of feedstock and having an impact on conformance with SBP standards, including at least the following: • company names, • addresses of operating sites, • key contact person, • status of certification against SBP-recognised scheme (where relevant), and • stages within the feedstock supply chain from the sourcing area up to and including the Organisation’s own operations. Major NC is issued.		
Timeline for Conformance:	3 months from the report finalisation	
Evidence Provided by Company to close NC:	N/A	
Findings for Evaluation of Evidence:	N/A	
NC Status:	Open	

NC number 5507		NC Grading: Minor
Standard:	SBP Standard 2: Feedstock Verification v2.0	
Requirement:	7.4 The Organisation shall ensure that the RMP identifies: a. to whom in the Supply Base the RMMs applies, to address all specified risks; b. the timeframe by when the RMMs shall be implemented; and c. the Means of Verification of the effectiveness of	

	the RMMs to reduce the risk rating to low risk. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The BP has not identified in the RMP (SBR/ ProcessusMesuresAttenuation-GestionRisquesEnergex.docx) b. the timeframe by when the RMMs shall be implemented. Minor NC is issued.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number 5508		NC Grading: Minor
Standard:	SBP Standard 2: Feedstock Verification v2.0	
Requirement:	7.6 The RMP shall be signed off by senior management in the Organisation. N/A N/A N/A	
Description of Non-conformance and Related Evidence:		
RMP (SBR/ ProcessusMesuresAttenuation-GestionRisquesEnergex.docx) has not been signed by senior management in the Organization. Minor NC is issued.		
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date	
Evidence Provided by Company to close NC:	N/A	
Findings for Evaluation of Evidence:	N/A	
NC Status:	Open	

NC number 5509		NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody v2.0	
Requirement:	1.24 The Organisation shall maintain an up-to-date self-assessment covering the implementation of 1.21, 1.22 and 1.23. N/A N/A N/A	
Description of Non-conformance and Related Evidence:		
The BP has completed a self-assessment of its compliance to laws and regulations related to health & safety, anti-harassment, anti-corruption, environment, gender equity and commitment towards people and indigenous peoples' rights.(Auto-Evaluation lois et règlements Energex.pdf). However, it does not comply to SBP's Guidance for this		

requirement (see Guidance for Standard 4). Minor NC is issued.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number 5787 NC Grading: Major	
Standard:	SBP Standard 2: Feedstock Verification v2.0
Requirement:	7.1 The Organisation shall develop a Risk Management Plan (RMP) which includes Risk Management Measures (RMMs) for each Indicator rated as specified risk within its SBE per the Organisation's Risk Assessment or an SBP-endorsed RRA with the objective to mitigate the risk and reduce the risk rating to low risk. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Through its SBE, the BP is only sourcing from the province of Québec, Canada. Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for public forest and private forest outside the program. The BP is sourcing from public forests. A RMP was developed. However, the mitigation measures and/or evidence provided for the specified risks under indicators 1.1.1, 2.1.1, 2.1.2, 2.1.3, 2.2.3, 2.2.4, 2.2.5, and 2.2.10 have been deemed insufficient to demonstrate that these risks will be adequately mitigated. Details for each specified risk are provided under Section 1 of the CB report checklist for each indicator.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

2.2 Closed non-conformities

2.3 Actions taken by Organisation Prior to Report Finalisation

The BP's consultant had not provided during the audit a complete SBR, SAR and related documents, These were provided to the auditor approximately one week after the audit.

2.4 Notes for the next Audit

SBR and mitigation measures/monitoring supporting documents, SAR, procedures, mass balance account must be provided days before the audit. They must not be provided by the client during or after the audit.

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	
Approved Standards	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. v2.1; Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.2
Product Group IDs	☐ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☒ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	No
Products	Pellets
Feedstock origin (countries):	Canada, United States
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	Transition to V2 of SBP standards and use of the new SBP RRA for Québec (Feb. 2025).

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

Granules combustibles Energex inc. is a pellet producer located in Lac-Mégantic (Québec) , Canada with production capacity of 110 000 t. The organization source secondary feedstock only (in form of wood chips, sawdust and shavings) from one supplier only who further supply this feedstock from many different sub-suppliers located in Eastern Ontario, Quebec, and New York, Pennsylvania, Vermont, New Hampshire, Maine, Massachusetts, Connecticut, Rhode Island (United States). All material is received with FSC claim - FSC Mix Credit or FSC Controlled wood. In the dryer, the BP use the same material as in the pellet production and pellets diverted from the production. The material used is at least FSC controlled wood. The final product is transported to Port of Quebec, Becancour or Grande Anse by trucks.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Granules Combustibles Energex Inc.	3891 President Kennedy Lac-Mégantic, Québec G6B 3B8	Pellet production	☐

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

The BP holds valid FSC CoC certificate covering the pellet production <https://search.fsc.org/fr/certificate/a02f300000gIHnXAAO/> The feedstock (wood chips, shavings and sawdust) are all processing residues purchased with different claims: FSC Mix Credit or FSC Controlled Wood. Feedstock from non-certified sub-suppliers, controlled under the direct supplier DDS is supplied with FSC CW claim. Non-certified feedstock is not accepted. The BP implements an FSC credit system of claims. All pellets are made from secondary feedstock, the material is weighted at the entrance and the volume is recorded. The credit account is updated against information received from the invoice delivered by the supplier. The conversion factor is calculated using the input - feedstock used in the dryer and output ratio. The credit account is updated monthly and it includes a description of the feedstock (sawdust, wood chips, shavings), the volume of physical input, production results and other relevant information. Purchased feedstock is provided with relevant trade and transport documents.

4 Specific objective of the audit

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

The scope of the evaluation covered:

- Review of the Organization's management procedures
- Review of chain of custody critical control points;
- Interviews with responsible staff;
- Review of the records and calculations;
- Supply Base Evaluation analysis;
- REDII system implementation;
- Site visits of sub-suppliers (chips, shavings, sawdust);
- Site visits of the BP's facilities.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Yves Bouthillier	8.0
2. On-site (excl. travel time)	Yves Bouthillier	8.0
3. Report writing	Yves Bouthillier	12.0
4. Other	Yves Bouthillier	8.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	Role	Qualification
Yves Bouthillier	Lead auditor	Yves is a biologist with a specialization in conservation and environment and a master's degree in Earth Sciences. He has been working in the field of environmental certifications since 2014. Yves is qualified to audit the following standards: - FSC FM, CoC, CW - SBP - CoC for PEFC, SFI and RA SC

5.3 Description of evaluation activities

The audit started on-site on May 14, 2025. The audit focused on the evaluation of the management system and its implementation: a division of the responsibilities, health and safety, record keeping, input material classification (reception and registration), energy and carbon data collection and communication, SBE risks and mitigation measures. REDII sustainability criteria evaluation.

During the opening meeting, the auditor was introduced, the certification scope was clarified, information about the audit plan, methodology, auditor qualification, confidentiality issues, assessment methodology, and other applicable Preferred by Nature policies and procedures was provided. The company's responsible persons were also introduced as well as core data from the company was presented.

On the same date, interviews and documentation review for the applicable requirements of the SBP standards were conducted. During the process, the overall responsible person for the SBP system and other staff were interviewed, including the BP's certification consultant. In the course of the audit, critical control points at the stage of biomass acceptance, dumping and storing were evaluated. Traceability and energy documentation was reviewed, following a sampling by the auditor. An on-site tour of the BP's facilities was conducted (weighbridge, lab, production, storage). The auditor also verified implementation of OHAS best practices and respect of applicable laws and regulations. At the preliminary closing meeting on the same date, findings were summarized, and preliminary audit conclusions were provided to the Organization's management and SBP responsible person. Following the audit, the auditor completed review of procedures and records that were requested during the audit to formalize conclusions.

On May 15, 2025, the auditor visited on-site 5 of the BP's suppliers to ensure that the feedstock supplied to the BP are coming from processing residues.

5.4 List of forest management units and feedstock suppliers visited

☒ N/A – No forest sites or suppliers visited during this evaluation
BP only sources processing residues (chips, shavings, sawdust).

5.5 Describe audit sampling methodology used

A sampling has been implemented, based on the following criteria: - Review of procedures; - Review of training records; - Review of information related to suppliers; - Review of delivery documentation and cross-check with DTS; - Interviews with staff to evaluate theoretical and practical experience of intended approaches implementation. The focus was on key responsible staff. Sampling for REDII suppliers of secondary feedstock was done with on-site audits for 5 different sub-suppliers to ensure feedstock delivered to BP is coming from processing. Additional documentation sampling was conducted remotely for other suppliers.

5.6 CB stakeholder engagement

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.

5.7 Stakeholder feedback and response

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

5.8 Main strengths and weaknesses of the management system and operations

Strengths:

Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses:

See NCR section. BP's consultant provides essential evidence for the audit either incomplete or late (ex. SBR with mitigation measures, SAR).

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☐ N/A – Standard 1 not in the scope of the evaluation

The BP supply base covers Quebec, Ontario, and US states in northeast US. The BP can receive feedstock as FSC Mix or FSC CW. All feedstock received as FSC controlled wood are not added to the SBP credit account.

For the province of Québec, Canada, the BP has conducted a supply base evaluation (SBE) in 2025 per SBP Standard 1 using the latest regional risk assessment for Québec for SBP V2 (Feb. 2025). The BP implements mitigation measures for the following specified risk indicators: 1.1.1, 2.1.1, 2.1.2, 2.1.3, 2.2.3, 2.2.4, 2.2.5, 2.2.10,

3.2.2. The only feedstock that is sold as SBP-compliant is either FSC Mix or sourced from Québec using the SBE and RRA with mitigation measures implemented.

The BP is in regular contact with their unique supplier to verify the supply base and the sub-suppliers validity and location.

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

Traceability procedures and records were reviewed, following a sampling by the auditor of purchases and sales documentation. Site observations and interviews were also completed to confirm the veracity of the information.

Sampling for REDII suppliers of secondary feedstock was done with on-site audits for 5 different sub-suppliers to ensure feedstock delivered to BP is coming from processing. Additional documentation sampling was conducted remotely for other suppliers.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

Traceability procedures and records were reviewed, following a sampling by the auditor of purchases and sales documentation. Site observations and interviews were also completed to confirm the veracity of the information.

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

5.13 Summary of audit findings for competency of involved personnel

Overall, BP staff showed a general understanding of the most recent SBP requirements that were released in the months prior to the audit. Awareness and understanding can be perfected. A very few staff members are involved in SBP certification. Since 2024, Alain Perreault, Director of Finances is now responsible for the BP's FSC and SBP certification. The BP relies heavily on INCOS Stratégies (Nicolas Blanchette, external consultant).

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

□ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

The BP is sourcing FSC CW or FSC Mix processing residues from secondary and tertiary producers. The BP has an agreement with one supplier (Tafisa) to use their network of sub-suppliers of processing residues located in Québec, Northeast US and Eastern Ontario. The SBE applies only to feedstock sourced from the province of Québec covered by SBP-RRR-CA-QC-FOR v2.0. Implementing mitigation measures for specified risks identified by SBP-RRR-CA-QC-FOR v2.0 Interim RRA (Feb. 2025) will allow the BP to increase its output of SBP REDII Compliant Biomass out of its sourcing of FSC CW inputs. Feedstock from the Northeast US and Eastern Ontario will either be SBP-Compliant if sourced as FSC Mix or SBP-Controlled if sourced as FSC CW.

For the province of Québec, the BP is sourcing from public forests and private forests. Per SBP-RRR-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risks are mostly for private forests outside the program and only one specified risk for public forest for 2.1.3 (biodiversity).

Most of the mitigation measures and many of monitoring/outcomes selected by the BP's consultant have been deemed insufficient or not properly demonstrated as sufficient by auditor to mitigate the risks. See Section 2. Audit Conclusions for more details.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Canada
Area/Sub-Scope
woodlots without assistance programs, Quebec
Indicator
1.1.1 Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Specified risk description
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.
Detailed description of a 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.
Detailed description of CB evaluation of mitigation measure and its conclusions
Per SBP-RRR-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program. The mitigation measures selected by the BP rely on the annual reports of private woodlot regional agencies. However, for some of the regional agencies the annual reports provided were from 2021 and training was not provided to forest woodlot owners since 2021. Also, the BP was unable to clearly summarize the

outreach efforts made by the regional agencies to private woodlot owners, with data on these efforts presented for only 8 of the 12 regional agencies, mostly with a general description and with some of trainings dating back to 2021. As for the list of trainings provided by regional agencies, the BP was unable to define the content for some of the training. Consequently, the annual reports cannot confirm a continuous level of outreach efforts to mitigate this risk and that they will be sufficient for monitoring and outcomes. Major NC STD 2 7.1/25 is issued.

Country
Canada
Area/Sub-Scope
woodlots without assistance programs, Quebec
Indicator
2.1.1 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.
Specified risk description
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
Detailed description of a 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.
Detailed description of CB evaluation of mitigation measure and its conclusions
Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program. The mitigation measures selected by the BP rely on the identification of key species, habitats and ecosystems in the regional Plan de protection et de mise en valeur des forêts privées (PPMV) (Protection, Maintenance and Restauration Management Plan of private forests). However, these plans do not identify HCVs per the High Conservation Value Resource Network (HCVRN). While some of these values could theoretically be considered HCVs, the BP has not demonstrated which ones could align with the 6 categories of HCVs AND if any of the 6 HCVs have been omitted from these plans. Consequently, the BP has not demonstrated convincingly that areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base have been identified. Also, some of these plans (PPMV) are valid 10 years and for some regions, these are older than 10 years. Major NC STD 2 7.1/25 is issued. The monitoring and outcomes have been deemed sufficient if the information to be used is up to date and monitoring of HCVs is included.

Country

Canada
Area/Sub-Scope
woodlots without assistance programs, Quebec
Indicator
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.
Specified risk description
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.
Detailed description of a 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.
Detailed description of CB evaluation of mitigation measure and its conclusions
Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program. The mitigation measures selected by the BP mentions that “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.” This requirement is that threats and impacts have been identified and evaluated. These threats can come from forestry and other non-forestry related activities. The information presented to the auditor as evidence is spread among different documents, with no summary of threats identified and evaluated. The information was presented to the auditor as if the BP’s consultant expects the auditor to find the information demonstrating conformance among a slew of documents and information (PPM, annual reports). Consequently, there is no convincing demonstration from the BP that threats and impacts, from forest management and other activities, have been identified and evaluated. The monitoring and outcomes depend on the annual reports, which have been shown by the BP during this audit to not be the most current. Major NC STD 2 7.1/25 is issued.

Country
Canada
Area/Sub-Scope
woodlots without assistance programs, Quebec
Indicator
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.
Specified risk description

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.

Detailed description of a 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.

Detailed description of CB evaluation of mitigation measure and its conclusions

Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program and public forests.

Woodlots without assistance program

The mitigation measures selected by the BP mentions that “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 there are targets to maintain and to improve biodiversity and HCV values as well as training activities to private woodlot players involved in forest harvests.” The BP has provided a document (SBR/Actions_par_enjeu_par_region_PRECIS.xlsx) indicating that actions are being in place by each regional agency. However, actions vary greatly between regions, and it appears that actions are not being implemented consistently between regions to maintain and enhance key species, habitats and ecosystems. Again, the BP’s consultant expects the auditor to find the information demonstrating conformance among a slew of documents and information (PPMV, annual reports). Consequently, there is no convincing demonstration that key species, habitats and ecosystems are maintained and enhanced throughout the BP’s supply base. As for HCVs, see finding above under 2.1.1.

The monitoring and outcomes depend on the annual reports, which have been shown during this audit to not be the most current.

Mitigation measures, monitoring and outcomes are not in conformance for woodlots without assistance program.

Major NC STD 2 7.1/25 is issued for:

- Woodlots without assistance program: for the mitigation measures, monitoring and outcomes
- Public forests: for the mitigation measures for IFL and monitoring and outcomes for both the woodland caribou and IFL

Country

Canada

Area/Sub-Scope

Public forests, Quebec

Indicator

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.

Specified risk description

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.

Detailed description of a 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.

Detailed description of CB evaluation of mitigation measure and its conclusions

Public forests

Woodland caribou

The mitigation measures selected by the BP for public forests is that habitat of the boreal caribou is excluded from the BP's supply base, confirmed with supplier declarations and feedstock analysis. Review of the BP's suppliers, declarations deem this mitigation measure sufficient.

However, the rationale provided by the BP in the SBR for the monitoring and outcomes doesn't constitute any form of monitoring, to ensure that the suppliers sourcing is kept consistently out of the caribou habitat due to potential changes the suppliers' sourcing. Also, the SBR states in the monitoring and outcomes that mills "are located south of the St-Lawrence river and West of the Chaudière Appalaches region." Nonetheless, supplier list provided by the BP indicates that some suppliers are located north of the St-Lawrence River.

Major NC STD 2 7.1/25 is issued for:

- Woodlots without assistance program: for the mitigation measures, monitoring and outcomes
- Public forests: for the mitigation measures for IFL and monitoring and outcomes for both the woodland caribou and IFL

Country

Canada

Area/Sub-Scope

Public Forests, Quebec

Indicator

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.

Specified risk description

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 km² in area and a minimum width of 2 km.

Detailed description of a 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.
Detailed description of CB evaluation of mitigation measure and its conclusions
Public forests IFL The mitigation measures selected by the BP for public forests is "The sourcing regions of Energex's non-certified suppliers do not source their feedstock from intact forest landscapes recognized by Global Forest Watch Canada." Global Forest Watch Canada doesn't exist anymore. Also, one of the BPs sub-supplier is sourcing from Scierie Dion, located near Québec City and near an IFL recognized by Global Forest Watch as an existing IFL. Without demonstration, it is deemed plausible Scierie Dion sources from the IFL. However, the rationale provided by the BP in the SBR for the monitoring and outcomes doesn't constitute any form of monitoring, to ensure that the suppliers sourcing is kept consistently out of IFLs due to potential changes the suppliers' sourcing. Also, the SBR states in the monitoring and outcomes that mills "are located south of the St-Lawrence river and West of the Chaudière Appalaches region." Nonetheless, supplier list provided by the BP indicates that some suppliers are located north of the St-Lawrence River. Major NC STD 2 7.1/25 is issued for: - Woodlots without assistance program: for the mitigation measures, monitoring and outcomes - Public forests: for the mitigation measures for IFL and monitoring and outcomes for both the woodland caribou and IFL

Country
Canada
Area/Sub-Scope
woodlots without assistance programs, Quebec
Indicator
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced
Specified risk description
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.
Detailed description of a 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.

Detailed description of CB evaluation of mitigation measure and its conclusions

Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program. The mitigation measures selected by the BP rely on the annual reports of private woodlot regional agencies. However, for some of the regional agencies the annual reports provided were from 2021 and training was not provided to forest woodlot owners since 2021. Also, the BP was unable to clearly summarize the outreach efforts made by the regional agencies to private woodlot owners, with data on these efforts presented for only 8 of the 12 regional agencies, mostly with a general description and with some of trainings dating back to 2021. As for the list of trainings provided by regional agencies, the BP was unable to define the content for some of the training. Consequently, the annual reports cannot confirm a continuous level of outreach efforts to mitigate this risk and that they will be sufficient for monitoring and outcomes. Major NC STD 2 7.1/25 is issued.

Country

Canada

Area/Sub-Scope

Private woodlots, Quebec

Indicator

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.

Specified risk description

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.

Detailed description of a 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.

Detailed description of CB evaluation of mitigation measure and its conclusions

Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program. The BP has selected the following mitigation measures: "With supplier contracts and feedstock analyses at time of reception, the BP confirms it does source feedstock from the collection of harvest residues." This is no mitigation measure.

The monitoring and outcomes mention that "suppliers, supplier contracts, delivery records and feedstock analyses and the BP's facility capabilities demonstrate the BP does not use harvest residues as feedstock." However, the BP has not demonstrated how it has come to this conclusion with the information listed above. Major NC STD 2 7.1/25 is issued.

Country

Canada
Area/Sub-Scope
woodlots without assistance programs, Quebec
Indicator
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Specified risk description
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.
Detailed description of a 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.
Detailed description of CB evaluation of mitigation measure and its conclusions
Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program. The mitigation measures selected by the BP rely on the annual reports of private woodlot regional agencies. However, for some of the regional agencies the annual reports provided were from 2021 and training was not provided to forest woodlot owners since 2021. Also, the BP was unable to clearly summarize the outreach efforts made by the regional agencies to private woodlot owners, with data on these efforts presented for only 8 of the 12 regional agencies, mostly with a general description and with some of trainings dating back to 2021. As for the list of trainings provided by regional agencies, the BP was unable to define the content for some of the training. Consequently, the annual reports cannot confirm a continuous level of outreach efforts to mitigate this risk and that they will be sufficient for monitoring and outcomes. Major NC STD 2 7.1/25 is issued.

Country
Canada
Area/Sub-Scope
woodlots without assistance programs, Quebec
Indicator
2.2.10 Harvested areas shall be regenerated
Specified risk description
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.
Detailed description of a 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.

Detailed description of CB evaluation of mitigation measure and its conclusions

Per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025), specified risk for woodlots without assistance program. The mitigation measures selected by the BP rely on the annual reports of private woodlot regional agencies. However, for some of the regional agencies the annual reports provided were from 2021 and training was not provided to forest woodlot owners since 2021. Also, the BP was unable to clearly summarize the outreach efforts made by the regional agencies to private woodlot owners, with data on these efforts presented for only 8 of the 12 regional agencies, mostly with a general description and with some of trainings dating back to 2021. As for the list of trainings provided by regional agencies, the BP was unable to define the content for some of the training. Consequently, the annual reports cannot confirm a continuous level of outreach efforts to mitigate this risk and that they will be sufficient for monitoring and outcomes. Major NC STD 2 7.1/25 is issued.

Country

Canada

Area/Sub-Scope

woodlots without assistance programs, Quebec

Indicator

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.

Specified risk description

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.

Detailed description of a mitigation measure

Low risk for the BP's supply base per SBP-RRA-CA-QC-FOR v2.0 Interim RRA (Feb. 2025) The organization does not source raw material directly from the forest (i.e., primary). Mitigation measure deemed sufficient for this risk.

Detailed description of CB evaluation of mitigation measure and its conclusions

Evidence review of BP's suppliers, contracts, delivery documentation and on-site observation confirmed that the BP is not sourcing primary feedstock. Mitigation measure not required.

