Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Granules LG inc.

Third 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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Table of contents

1 Overview **3**

2 Audit conclusions **4**

2.1 Certification decision 4
2.2 Open non-conformities and observations 4
2.2 Closed non-conformities 5
2.3 Actions taken by Organisation Prior to Report Finalisation 5
2.4 Notes for the next Audit 5

3 Scope of the audit and SBP certificate **6**

3.1 Description of the company 7
3.2 Site details 7
3.3 Detailed description of the Chain of Custody system and Product Groups 7

4 Specific objective of the audit **8**

5 Evaluation process **9**

5.1 Timing and duration of evaluation activities 9
5.2 Auditor team qualification 9
5.3 Description of evaluation activities 9
5.4 List of forest management units and feedstock suppliers visited 10
5.5 Describe audit sampling methodology used 10
5.6 CB stakeholder engagement 10
5.7 Stakeholder feedback and response 10
5.8 Main strengths and weaknesses of the management system and operations 10
5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation 10
5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED 10
5.11 Summary of evaluation activities for chain of custody system per Standard 4 10
5.12 Summary of evaluation activities for collection and communication of data per Standard 5 11
5.13 Summary of audit findings for competency of involved personnel 11
5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable) 11

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable) **12**

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope 12
6.2 CB evaluation of specified risk indicators and mitigation measures 12

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:	N/A
Name of the Company:	Granules LG inc.
Company legal address:	1665 rue Nishk, G0W 2H0 Mashteuiatsh, Canada
Company contact for SBP:	André L'Heureux
Company contact email:	alheureux@granuleslg.com
Company website:	https://granuleslg.com/fr/index
Date of installation:	
SBP Certificate Code:	SBP-07-04
Date of certificate issue:	24 Sep 2023
Date of certificate expiry:	23 Sep 2028
Audit closing meeting date:	15 Jul 2026
Audit cycle:	Third 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):	Kersti Kuum
Date of decision:	22 Sep 2026
Other comments:	N/A

2.2 Open non-conformities and observations

2.2 Closed non-conformities

NC number 9619 copied from 7879 copied from 6041	NC Grading: Observation
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	4.6 The Organisation shall have a justified and consistent methodology for calculating conversion factors, based on the actual output of a specific product group, and shall keep its conversion factor up-to-date. N/A N/A
Description of Non-conformance and Related Evidence:	
Section 7.01.1 of the BP's procedures do not clearly explain the different steps and factors that impact the conversion factor. This is an observation since interviews confirmed that the conversion factor is calculated is well justified and using a consistent methodology.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-22
Upgrade Date:	N/A
Update Date:	N/A

2.3 Actions taken by Organisation Prior to Report Finalisation

None

2.4 Notes for the next Audit

None

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 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 EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
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)	No
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	No
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Canada
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	Transition to the latest EU RED bridging requirements. No impact on the BP's activities and conformity.

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 L.G. Inc. operates a pellet mill with production of wood pellets from secondary and tertiary pre-consumer feedstock by the Biomass Producer's pellet mill in St-Felicien, Quebec, Canada. The feedstock for the production of wood pellets is sourced from 7 primary and secondary wood industries, all located in the province of Quebec. The feedstock includes material from a Supply Base consisting of the Canadian provinces of Quebec. The scope of the certification includes the use of a logistics site at the harbour in Grand-Anse, Quebec.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Granules LG inc.	750 de la Moraine St-Félicien, Québec G8K 0A1 Canada	Pellet mill	☒

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 Biomass Producer's PEFC Chain of Custody system is based on the credit method, and all inputs to the production site are either received as 100% PEFC certified or sourced as PEFC Controlled Sources under the BP PEFC Due Diligence System. All material is checked at the reception including the certification status of the material, certified volume is updated in the system to the credit account (PEFC and SBP amounts are recorded). Once the sales are done, the credits are discounted from the account and recorded in the DTS. The Organisation has two products groups for SBP-Compliant and SBP-Controlled. Volumes for each are tracked separately in the credit account, per SBP requirement for mass balance. The BP has only made SBP-Compliant sales since the last audit.

4 Specific objective of the audit

The objective of this evaluation was to confirm that Granules management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification. The scope of this evaluation also covered the RED requirements for secondary feedstock from processing residues.

The scope of the evaluation covered:

- Review of the BP's management procedures, including requirements designated in applicable SBP;
- Standards and Instruction Documents;
- Review of the production processes, production site visit;
- Review of the Supply Base Report;
- Review of SBP system control points, analysis of the developed Coc system;
- Review of the records and calculations;
- GHG data collection analysis;
- Interviews with responsible staff;
- RED bridging requirements;
- Business integrity.

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	8.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Yves Bouthillier	Lead auditor	Yves is a Senior Forestry Specialist - Team Leader with Preferred by Nature (PbN) and 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

This SBP audit was carried out on July 15, 2026. The audit was carried out through visits to the Granules LG office and pellet plant, as well as to remote audit 3 suppliers of processing residues.

Opening meeting was followed by review of the management system and the SAR and SBR. Requirements for STD 2, 4, 5 and RED procedures were also reviewed, as well as revision of supporting documents. Evaluation of origin data, sourcing program, purchase claims, volumes management within the RED requirements and credit accounts, as well as the sales in the reporting period.

This report is the result of the findings of an audit carried out by an independent lead auditor. The purpose of the audit was to assess the client's compliance with the standards used within the scope of the certificate.

A sufficient amount of people were interviewed during the site and field visits. Critical Control points were evaluated and found to be sufficiently well managed and controlled.

A closing meeting was conducted where auditor summarized audit conclusions and next steps where clarified.

5.4 List of forest management units and feedstock suppliers visited

☒ N/A – No forest sites or suppliers visited during this evaluation
Five suppliers were remotely audited, since the BP is only sourcing processing residues from primary and secondary processors (shavings, sawdust, pin chips).

5.5 Describe audit sampling methodology used

During audit preparation, a sampling plan was developed based on the following criteria: - A review of documentation related to energy and carbon data for the chosen SAR reporting period. – Inspection of suppliers of secondary and tertiary feedstock. Out of 7 suppliers of processing residues, 5 were audited remotely. All applicable and existing documents and procedures subject to the applicable SBP requirements were reviewed. All relevant staff were interviewed

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

The main strength of the BP lies within it relatively simple production and its use of secondary and tertiary pre-consumer feedstock, which is all received as PEFC Certified or PEFC Controlled Sources and therefore can be sourced without the need for a Supply Base Evaluation. There is access to necessary information regarding the forest management unit of origin through the tool www.woodsupplychain.com With this, the geographical location of the stand can be confirmed as being inside the defined Supply Base.

No weaknesses identified during the SBP audit.

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

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

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 RED suppliers of processing residues was done with remotely for 4 different suppliers to ensure feedstock delivered to BP is coming from processing activities.

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

Since the BP uses secondary and tertiary pre-consumer feedstock only (processing residues), has documentation for all energy and fuel use in the production of pellets, and a simple transport scheme to the endpoint at the harbour of Grand-Anse, Québec and Québec City, Québec. the accuracy and completeness of GHG data is evaluated as credible.

5.13 Summary of audit findings for competency of involved personnel

Staff members involved into the SBP system management and implementation, include the external consultant, demonstrated awareness of their responsibilities within SBP system. Granules LG assigned an external consultant with extensive experience in forest planning, management, and certification. the consultant has worked on processes related to forest certification in other countries worldwide. This external consultant will continue to support Granules LG with the RA and mitigation measures development.

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

N/A

6.2 CB evaluation of specified risk indicators and mitigation measures