

SBP

Sustainable Biomass Partnership

SCS Global Services Evaluation of Groupe Savoie Inc Compliance with the SBP Framework: Public Summary Report

www.sustainablebiomasspartnership.org



Completed in accordance with the CB Public Summary Report Template Version 1.0

For further information on the SBP Framework and to view the full set of documentation see www.sustainablebiomasspartnership.org

Document history

Version 1.0: published 26 March 2015

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1 Overview

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Report completion date: 8/May/2017

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Certified Supply Base: New-Brunswick, south-eastern Québec, Ontario, Nova Scotia and Prince Edward Island in Canada and states of Maine, Connecticut, Vermont, New Hampshire, New Jersey, New York, Massachusetts and Pennsylvania in the United States.

SBP Certificate Code: SBP-04-05

Date of certificate issue: 06/Jun/2017

Date of certificate expiry: 05/Jun/2017

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

Scope of evaluation:

Main evaluation to assess the applicant CH's conformance to SBP standards 2, 4, and 5 and respective Instruction Notes and Documents. The evaluation included on-site visits to the pellet mill in Saint-Quentin and the port facility in Belledune, New Brunswick, Canada.

Scope of certificate:

This certificate covers production and distribution of wood pellets, for use in energy production, at Groupe Savoie Inc. pellet mill and road transportation to port facility Port of Belledune for storage, aggregation and seafaring vessel loadout. The scope of the certificate does not include Supply Base Evaluation.

3 Specific objective

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

4 SBP Standards utilised

4.1 SBP Standards utilised

SBP Framework Standard 2: Verification of SBP-compliant Feedstock, Version 1.0, March 2015

SBP Framework Standard 4: Chain of Custody, Version 1.0, March 2015

SBP Framework Standard 5: Collection and Communication of Data, Version 1.0, March 2015

<http://www.sustainablebiomasspartnership.org/documents/standards>

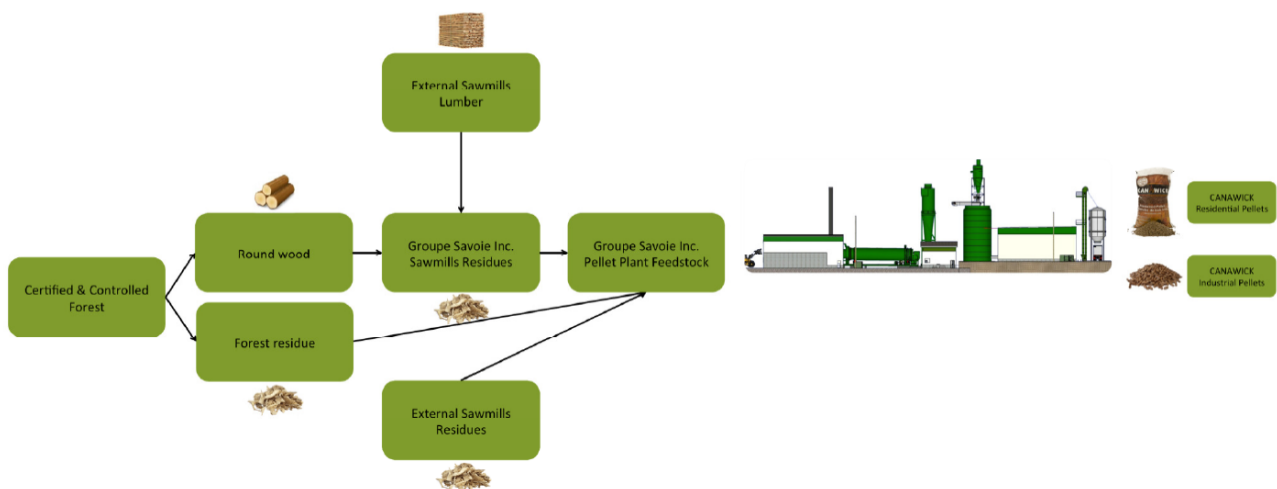
4.2 SBP-endorsed Regional Risk Assessment

Not applicable

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Groupe Savoie Inc. manufactures industrial wood pellets for export to European power utilities and residential wood pellets for domestic markets. Groupe Savoie’s main operation site is located in Saint-Quentin, New Brunswick (N.B.) Canada, where a pellet mill, two sawmills, a components plant, a pallet plant and dry kiln are located. Groupe Savoie also operates a component plant and a dry kiln in Kedgwick, N.B., one pallet production and recycling plant in Moncton, N.B., and one sawmill in Westville, Nova-Scotia. The organization sources primary material, such as tree tops and branches through external suppliers and secondary material such as sawdust, shavings and bark through their own operation and from other sawmills:



Feedstock for the pellet mill is composed mainly of primary feedstock from the province of New-Brunswick. To a lesser extent, feedstock is sourced from south-eastern Québec, Ontario, Nova Scotia and Prince Edward Island in Canada and the New England states of Maine, Connecticut, Vermont, New Hampshire, New Jersey, New York, Massachusetts and Pennsylvania. Groupe Savoie’s sawmill residuals (sawdust, shavings and bark) and forest operation residuals (branches and tops) are the primary feedstock for the Saint-Quentin wood pellet plant. All feedstock is sourced through Groupe Savoie’s PEFC Chain of Custody certificate which covers PEFC certified input as well as PEFC Controlled sources, which are sourced through a risk assessment. Both PEFC certified material and PEFC controlled sources constitute input for pellet production. The organization operates a PEFC chain of custody percentage based method with volume credit method and has sufficient credit to sell all pellets with an SBP-compliant claim.

5.2 Description of Biomass Producer’s Supply Base

Groupe Savoie Inc.’s supply base covers the Canadian provinces of New-Brunswick and Québec, Ontario, Nova Scotia and Prince Edward Island and the US states Maine, Connecticut, Vermont, New Hampshire, New Jersey, New York, Massachusetts and Pennsylvania. Primary feedstock is sourced as PEFC certified and

PEFC Controlled Sources through external suppliers through the organization's PEFC COC system including a risk assessment in the PEFC DDS. Secondary feedstock is sourced from Groupe Savoie's own sawmills, components and pallet plants and external sawmills and wood processing facilities. Main species that are sourced from the supply base are *Acer saccharum*, *Acer rubrum*, *Betula alleghaniensis*, *Betula papyrifera*, *Populus tremuloides*, *Populus balsamea*, *Fagus grandifolia* and *Fraxinus* spp. The supply base covers both crown lands (state owned land), private land industrial freehold and federal lands.

New Brunswick

Forests cover more than 83% or 6 million hectares of the province's 7 million hectares of land¹. The Acadian forest region covers most of the province. This forest region is characterized by softwood and hardwood tree species, including red spruce, balsam fir, black spruce, yellow birch, eastern white pine, eastern white-cedar, eastern hemlock and sugar maple. Primary commercial species in New Brunswick include spruce, fir, pine, maple, birch, poplar and cedar. The remaining 17% is made up of agricultural land and urban areas. Forest ownership in the province is 51% Crown Lands, 29% private woodlots, 18% Industrial Freehold, and 2% Federal Lands.

Forest Governance

Public Lands

The Crown Lands and Forests Act is the legal foundation of public (Crown) forest management in New Brunswick. It was proclaimed in 1982 and is administered by the Department of Energy and Resource Development (ERD). The Act divides New Brunswick's Crown land into 6 timber licenses. Each Crown timber license is leased through a 25-year forest management agreement to a large forest-based company called a licensee. The New Brunswick government sets management objectives and licensees manage the Crown licenses under the administration of the DNR.

Each of the 6 Licenses also has an assigned number of sub-licensees. Many sub-licensees operate small sawmills. Groupe Savoie is a sub-licensee on licenses 1, 3, 8 and 9. New Brunswick has several long-established federal and provincial parks and protected areas. In addition, Protected Natural Areas (PNA) have been established in New Brunswick since 2003. PNAs cover 4.8% of Crown land or a total area of 157,373 ha.

Compliance assessment, enforcement and penalties

Operational standards, policies and guidelines for forest management on Crown lands are established by the provincial government.

Private Lands

Private land in New Brunswick falls into 2 categories:

- Industrial Freehold, which is private land owned by forestry companies, representing 18% of the landbase; and

¹ http://www.sfmcanada.org/images/Publications/EN/New_Brunswick_info_Provinces_and_territories_EN.pdf

- Private Woodlots, representing 29% of the landbase.

Industrial Freehold is managed on a commercial scale and most companies have had their lands certified by one of the recognized third-party sustainable forest management (SFM) certification programs.

Private lands must conform to the Clean Water Act. Under the Crown Lands and Forests Act, the ERD Minister has from time to time requested summary details of the management strategy for Industrial Freehold forest operations.

Private woodlots in New Brunswick are held by more than 40,000 separate owners. They are free to manage their woodlots as they deem appropriate and must only conform to the Clean Water Act.

Forest Certification

New Brunswick requires that Crown forest lands managed by Timber Licensees be certified under one of the following third-party forest certification systems:

- Sustainable Forestry Initiative (SFI),
- Canadian Standards Association (CSA), or
- Forest Stewardship Council (FSC).

At present, all Crown lands managed by Licensees are certified under the SFI forest management standard. Industrial freehold lands controlled or harvested by the Licensees are also certified under SFI. In total 4.2 million ha are certified to the SFI standard in New Brunswick, while 244 ha of privately owned woodlots are certified to the FSC standard.

Forestry is New Brunswick's largest industry. In 2012, New Brunswick's largest forest product export markets were the United States (77%), India (6%), China (6%), Turkey (3%) and Thailand (3%). Total forest product export sales in 2012 were \$1.4 billion².

Quebec

In terms of area, 92% of Québec's forests are under public ownership. Québec's forests extend over seven degrees of latitude and three major bioclimatic zones, each with its own highly specific characteristics. These three major zones, with their principal forest species, are the boreal forest (black spruce, balsam fir and white birch), the mixed forest (yellow birch and balsam fir), and the hardwood forest (sugar maple and yellow birch).

Forest tenure is regulated by the *Sustainable Forest Development Act (LADF)*. Before the LADF came into effect in 2013, forest management planning on public lands was the responsibility of the forest industry. Since then, the management of Crown forests has been undertaken by the Ministry of Forests, Wildlife and Parks (Ministère des Forêts, de la Faune et des Parcs), including strategic planning, operational monitoring, wood allocations and measurements.

There are four types of harvest permits in Quebec:

² http://www.sfmcanada.org/images/Publications/EN/New_Brunswick_info_Provinces_and_territories_EN.pdf

- GA – Procurement Guarantees (Garantie d’approvisionnement) The GA provides the annual volume of timber by species or group of species, which can be purchased annually by the beneficiary from each of the regions covered by the guarantee.
- PRAU – Under paragraph 6.1 of Article 73 of the Sustainable Forest Development Act (LADTF), the permit to harvest timber to supply a wood processing plant (Permis de récolte aux fins d’approvisionner une usine de transformation de bois) (PRAU) are currently applied mainly to First Nation communities. The holder of a PRAU is allowed to harvest wood on public lands. PRAU can be provided to persons that do not own or operate wood transformation facilities. Currently, 14 PRAU are granted 10 of which are granted to indigenous communities, 3 to local municipalities and one (1) to a private company.
- BMMB - The government also implemented a process that allows the sale of standing timber (stumpage) called the BMMB³. Any person can purchase stumpage by participating in the auction. Wood is then sold to production facilities. The auction process allows 25% of timber from public forests for current forestry stakeholders and new entrepreneurs.
- EABF – Forestry biomass agreement (Entente d’attribution de biomasse forestière) - This permit allows the permit owner to annually harvest a volume of forest biomass with the intent of reducing the use of heating oil. This program was terminated in 2013. Permits were attributed for 5 year periods. Some permits may still be valid.

There are currently two certification standards used in the province of Quebec, the Forest Stewardship Council® (FSC®), and the Sustainable Forestry Initiative® (SFI®). At the end of 2014, there were a total 38.4 million hectares certified (private and public)⁴, of which there were 25,5 million hectares were certified to the FSC standard and 18.2 million hectares certified to the SFI standard. Some forests are certified to more than one standard. Most certified forests are on public lands. Approximately 90% of the forest area is third-party certified in Québec.

Private woodlots contribute about 20% of wood supplies in Québec. The Federation of Forest Producers of Québec (Fédération des producteurs forestiers du Québec, FPFQ) is the provincial organization that promotes the interests of the 130,000 private woodlot owners, which includes 35,000 forest producers. There are 13 regional syndicates that were formed to help with the protection and enhancement of Quebec's private forests and for the orderly marketing of timber from these areas.

Groupe Savoie Inc. purchases sawlogs and lumber from Québec. Secondary feedstock will be sent to the pellet mill. Groupe Savoie also purchases mill residue from mills in Québec which is sent directly to the pellet mill.

Nova Scotia

The province of Nova Scotia has a total landbase of 5,527,360 ha, of which 4,275,000 ha is forested. Nova Scotia’s forests contain 35% hardwood species and 65% softwood species by standing volume. Part of the Acadian Forest Region, common species include spruce, balsam fir, white pine, maple and birch. Fifty-three percent of forest land in Nova Scotia is privately owned and forty-seven percent is owned by the provincial or

³ <https://bmmb.gouv.qc.ca/a-propos/organisation/>

⁴ <https://www.mffp.gouv.qc.ca/publications/enligne/forets/criteresindicateurs/5/537/impression.asp>

federal government⁵. Nova Scotia's largest forest product export markets are the United States (54%), the European Union (16%), Turkey (7%), India (6%) and China (5%). Total forest product export sales in 2012 were \$384 Million⁶. About half of Nova Scotia's harvesting is for pulp and paper production, although significant amounts of lumber are also manufactured. The United States and the rest of Canada are the primary market destinations for solid wood, pulp and paper products.

The Nova Scotia Forests Act was implemented to develop a healthy productive forest capable of yielding high volumes of high quality product and is directed towards both private woodlot owners and Crown lands in the province.

Individuals and businesses who acquire primary forest products for processing into secondary products, export, sale as firewood, or production of energy must be included in the Buyers Registry. Any person who buys more than 5,000 cubic metres/year of privately sourced wood for manufacturing or export must provide for silviculture treatments.

Most of the primary wood products supplied to industry in Nova Scotia are from privately owned woodlots. The provincial government implements and develops forest management programs to encourage and assist private woodlot owners to manage their land more effectively. An annual report is released by the Registry of Buyers which outlines the volumes of wood harvested throughout the province.

Groupe Savoie operate a sawmill in Nova Scotia. Lumber from the sawmill can be processed in Saint-Quentin. The shavings and sawdust from these boards are sent to the pellet mill as secondary feedstock.

Prince Edward Island

Located on the east coast of Canada in the Gulf of St Lawrence, Prince Edward Island (PEI) is Canada's smallest province, with a total area of 568,600 ha, of which 250,000 ha is forested. PEI's forest belongs to the Acadian Forest region of Canada. The most common coniferous species include black spruce, white spruce, balsam fir and eastern larch with lesser amounts of white pine, red pine, eastern hemlock, eastern white cedar and other conifer species. The primary deciduous species are red maple, trembling aspen and white birch with sugar maple, red oak, beech, white ash and yellow birch accounting for most of the remainder.

Only 13% of PEI's forest is publicly owned. The Province does not allocate long term timber rights for public lands. Instead, all forest products are offered for sale by public tender. The winning bidder only acquires rights to the stumpage for the specified site and all property rights and ownership remains with the Province.

Most of PEI's commercial softwood is sold to mills in the provinces of New Brunswick and Nova Scotia, with only small volumes processed in-province. The primary market for hardwood species is the domestic fuelwood sector. The Island's value-added wood industry exports to markets around the globe, but the softwood and hardwood volume is small. In 2012, PEI's largest forest product export markets were the United States (89%), Japan (4%) and Saudi Arabia (3%)⁷.

⁵ http://www.sfmcanada.org/images/Publications/EN/Nova_Scotia_info_Provinces_and_territories_EN.pdf

⁶ <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo02a-eng.htm>

⁷ http://www.sfmcanada.org/images/Publications/EN/PEI_info_Provinces_and_territories_EN.pdf

Groupe Savoie's sawmill in Nova Scotia can procure sawlogs from PEI. As explained previously, lumber from the sawmill can be processed in Saint-Quentin. The shavings and sawdust from these boards is sent to the pellet mill in Saint-Quentin as secondary feedstock.

Ontario

Forests cover 71,100,000 ha. Public lands cover 63,846,325 ha (90%) and private lands cover 7,224,445 ha (10%). The province of Ontario is in the central portion of Canada and to the south, includes the Canadian portion of the Great Lakes. To the north, Ontario extends into the Arctic along the coastline of Hudson's Bay and James Bay⁸.

Four major forest regions are represented in Ontario:

- **Hudson Bay Lowlands** is an expanse of wetlands with an area of 25.8 million hectares. Productive forest cover is less than 17 percent, and is typified by stunted tamarack (also known as larch) and black spruce growing along riverbanks and other well-drained areas.
- **Boreal Forest** occupies an area of 49.8 million hectares of the province. Black spruce comprises 50 percent of all tree species in the Boreal Forest by growing stock volume. Other boreal species include trembling aspen, white birch, jack pine and balsam fir.
- **Great Lakes - St. Lawrence Forest** region represents 25 percent of Ontario's actively managed public forest. Sugar maple, white pine, red pine, eastern white cedar, hemlock, tamarack, black spruce, white spruce, red oak, white oak, red maple, basswood, ash, poplar, yellow birch, and white birch are all present in this zone.
- **Deciduous Forest** is in the southern-most part of Ontario. This region is home to more than 25 percent of Canada's population, yet it covers less than one percent of the country's land mass.

Forest governance

Public lands

Ontario's Crown forests are managed by companies or individuals that hold one of two types of licences - Sustainable Forest Licences (SFL) or Forest Resource Licences (FRL). FRL may be issued on areas overlapping with an SFL. FRL holders follow the forest management plans developed by the SFL holder and approved by the MNR and must operate to ensure the long-term health of the forest. The SFL holder remains responsible for all aspects of planning and reforestation.

Private lands

Forest management on private land is not heavily regulated by the Government of Ontario. In some municipalities, municipal governments have passed tree cutting bylaws which may influence the harvest of timber on private lands. Otherwise, forest management is a voluntary activity on private land. To encourage good forest management, the Ontario government provides tax incentives to landowners who develop and commit to implement forest management plans.

⁸ http://www.sfmcanada.org/images/Publications/EN/ontario_info_Provinces_and_territories_EN.pdf

Groupe Savoie purchase lumber from a broker. This broker procures from Ontario sawmills. The lumber is processed by Groupe Savoie in Saint-Quentin. The shavings and sawdust from this process is sent to the pellet mill in Saint-Quentin as secondary feedstock.

Maine

Maine contains more than 17.5 million acres (7 million hectares) of forestland, comprising 89% of total land area – the highest of any US state. Commercial timberland make up 97% of total forested area, and forested acreage has been quite stable since 1960. Maine's forested landscape is considered part of the broader Acadian Forest, including other parts of northern New England. Hardwood-dominated types comprise about 42% of the forests and softwood types about 58%. Dominant species include red maple (*Acer rubrum*), red spruce (*Picea rubens*), white pine (*Pinus strobus*), & balsam fir (*Abies balsamea*) – together accounting for 45% of live volume.

Ownership of Maine's forest is overwhelmingly private, with 16 million acres (6,478 million hectares) held privately and only 1.3 million acres (526,315 hectares) in public ownership.

Maine's forested landscape & forest industry are widely and traditionally regarded as economically vital to the state and region. A recent (2013) estimate by the New England State Foresters Assoc. (NESFA) places the total economic impact at US\$8 billion, including US\$885 million in exports. Total direct industry employment is estimated at 17,025, with indirect employment at 38,789. Total payroll is reported at US\$1.9 billion⁹.

Maine Dept. of Environmental Protection (MDEP) has primary authority for policy and regulation related to air & water quality protection. Maine Dept. of Agriculture, Conservation, & Forestry (MACF) is the lead agency for forest management policy and standards; and includes a Bureau of Parks & Lands which manages state-owned forestlands, and a Bureau of Forestry which leads forest management policy and operates programs for Forest Health Monitoring and Protection. Dept. of Inland Fisheries & Wildlife (MIF&W) manages policy and regulations related to wildlife habitat and fisheries conservation. Approximately 8 million acres (50%) of Maine's commercial forests are certified against internationally-recognized & accredited standards for sustainable practices (FSC, SFI, ATF). This includes most lands managed by the state Bureau of Parks & Lands (580 thousand acres)¹⁰.

Regulations concerning Trespass, Timber Theft, Boundaries, and Fire Protection are all long-established and are like other eastern US states. Both Foresters and Wood Scalers are subject to licensing requirements. Forest Harvesting Practices are subject to a series of regulatory standards developed in the last 25 years which define and limit "clearcut" size and spacing; require minimum regeneration standards, and limit the practice of "liquidation harvesting". Implementation & enforcement of these standards is well established, but their outcome has been criticised by some due to increased fragmentation of stand and age-class structures.

Maine is included in the SBR because sawlogs can be purchased and processed in Groupe Savoie's sawmill in Saint-Quentin. Furthermore, Groupe Savoie purchase lumber from a broker. This broker procures from

⁹ <http://maineforest.org/wp-content/uploads/2014/04/Maines-Forest-Economy.pdf>

¹⁰ http://www.maine.gov/dacf/mfs/policy_management/forest_certification_landowners.html

sawmills in Maine. The lumber is processed by Groupe Savoie in Saint-Quentin. The shavings and sawdust from this process are sent to the pellet mill in Saint-Quentin as secondary feedstock.

Eastern United States

Groupe Savoie procures lumber from brokers which procure in Eastern United States. This lumber is processed in one of Groupe Savoie's value added mills. Shavings, sawdust and residues will be used in the pellet mill. This represents a very low proportion of the total feedstock input into the pellet mill (less than 5%). Supplier declarations are provided to ensure that the origin of the timber is determined. A risk assessment is conducted per the requirements of the PEFC ST2002:2013 2nd Ed. chain of custody standard. Based on supplier declarations, Groupe Savoie have determined the origin of the timber to be in the states of Connecticut, Vermont, New Hampshire, New Jersey, New York, Massachusetts and Pennsylvania. The risk assessment concludes low risk for all these states. Information on the risk assessment is available on file at Groupe Savoie's office.

The organization does not conduct a supply base evaluation.

5.3 Detailed description of Supply Base

Below some summary statistics from the supply base report of the organizations supply base are given. For a more quantitative description, please refer to Groupe Savoie's Supply Base Report.

- Total volume of Feedstock: 176,982 metric tonnes
- Volume of primary feedstock: 34,609 metric tonnes
- List percentage of primary feedstock:
 - Certified to an SBP-approved Forest Management Scheme: 93.83%
 - Not certified to an SBP-approved Forest Management Scheme: 6.17%
- Volume of primary feedstock from primary forest: 100%
- Percentage of primary feedstock from primary forest:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: 93.83%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 6.17%
- Volume of secondary feedstock: 142,373 metric tons
- Organization does not source tertiary feedstock

5.4 Chain of Custody system

Danny Perron, Quality & Process Improvement Manager, is the person responsible for implementing the PEFC Chain of Custody system and also manages the organizations SFI Fiber Sourcing certification and the SBP management system. The organization operates the percentage based method for controlling PEFC claims based on volume credits. Groupe Savoie also verifies PEFC Controlled Sources through a DDS including a risk assessment covering the aforementioned provinces and states in Canada and the US and additional ones. The organization operates a scale where all incoming material is weighed and registered. Upon receipt a transportation certificate is issued which constitutes a legal document. This document lists the supplier,

delivered quantity, the origin of the material and –if applicable- the name of the primary wood processor. Received volume and claim are entered into the PEFC credit account. The origin of the material is indicated as codes that represent a certain area in the supply base.

Since material is tracked via a credit account, PEFC certified and controlled sources material is not kept separate on site. Outgoing pellets are loaded onto trucks and are weighed on the scale. The transportation certificate gets entered into the credit account and is subtracted from the credits. Transportation Supplier declarations, signed by both parties are in place.

The organizations PEFC management system and procedures were previously evaluated by another certification body and no nonconformities were identified. The organization has detailed and comprehensive procedures and databases to cover the necessary requirements regarding the SBP-approved Chain of Custody system.

6 Evaluation process

6.1 Timing of evaluation activities

Activity	Date	Location	Persons Involved	Time
Desktop review	March 23 & 27, 2017	SCS Emeryville office	SCS Sebastian Häfele	12 Hours
Main evaluation Audit	March 29, 2017	Groupe Savoie Head office, Saint-Quentin	Groupe Savoie Danny Perron, Alain Bossé, Yves O’Brien, Serge Laplante, Jason Somers Jean-François Martel, Jonathan Levesque, Pierre Levasseur Abies Consultants Inc. Daniel Martin SCS Sebastian Häfele	4 Hours
Main Evaluation Audit, site walkthrough	March 30, 2017	Groupe Savoie Head office, Saint-Quentin	Groupe Savoie Danny Perron, Yves O’Brien, Eric Rousselle, Marie-Michelle Savoie, Pierre Levasseur Abies Consultants Inc. Daniel Martin SCS: Sebastian Häfele	9 hours
Site visit Port of Belledune, Main Evaluation Audit	March 31, 2017	Port of Belledune, Groupe Savoie Head office, Saint-Quentin	Groupe Savoie Danny Perron, Alain Bossé, Yves O’Brien, Serge Laplante, Jason Somers Jean-François Martel, Jonathan Levesque, Christine Dufour Eastern Canada Stevedoring Donald Roy, Patrice Drapeau Abies Consultants Inc.: Daniel Martin SCS: Sebastian Häfele	10.5 hours

6.2 Description of evaluation activities

Desk review:

The desk review consisted of a review of the Supply Base Report (SBR), Audit Report on Energy and GHG Data (SAR), Static Biomass Profiling Data sheet, PEFC and SBP procedures, OHSA procedures, suppliers list, product groups PEFC certificate validity check and review of last PEFC audit report. These documents were submitted by the organization before the audit.

Main evaluation audit:

The on-site main evaluation audit included an audit of the SBR, documented management system, work instructions, training plan and training records, health and safety procedures and commitment, and procedures on collection and communication of greenhouse gas data. The appropriate personnel were interviewed to cover all aspects of the audit and certificate scope and the SBP requirements.

Also included was a half-day visit to the storage facility at the Port of Belledune and a tour of the site including a tour of the pellet plant from receiving, storage, hammer mills, dryers, pelletization, cooling, storage to loading. Furthermore the scale was inspected and records reviewed at the scale house.

The audit methods consisted of review of documentation, records, websites, emails, databases and staff interviews. The site tour and visits were evaluated by review of documentation, monitoring results, observations, and interviews.

6.3 Process for consultation with stakeholders

SCS launched their stakeholder consultation for the Evaluation audit of Groupe Savoie's facility on February 14, 2017 from SCS's Emeryville office to approximately 75 stakeholders. Stakeholders had the opportunity to present their points of view to the auditor(s) in confidence.

Geographical area(s): The geographical area for the stakeholder consultation is the same as the supply areas identified in the company's Supply Base. This area is, at minimum, at the level of the country. Where possible, it extends down to individual states or provinces, and in some select cases it may be further defined at the level of the county or district

List of Stakeholders invited: SCS relies on its Master Stakeholder List, which contains stakeholders that are identified by type, e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal, etc... This list is categorized by country and state/province at the very least, and for this consultation was filtered to omit any stakeholders that were not geographically relevant to the certificate-holder/applicant's supply area(s). Relevant FSC Network Partners were also included in the invitation process.

SCS received two comments regarding Groupe Savoie procurement operations / supply base listed in section 7.5. Attached is the actual notification for Groupe Savoie. They were selected to geographical relevance to Groupe Savoie's supply base:

This email is being sent to you because SCS Global Services (SCS) has identified you as a potential stakeholder able to provide relevant comments regarding Groupe Savoie's fiber sourcing program for their mill under that mill's certification as a Biomass Producer (BP) within the Sustainable Biomass Program (SBP) framework.

Background – About SBP

SBP was formed in 2013 by European utilities that are using biomass, mostly in the form of wood pellets or chips, in large thermal generating plants. Biomass-fired power and heat generation is seen as an important technology for achieving the EU's 2020 renewable energy targets and EU member states are adopting their own national approaches to ensuring that the biomass used is legally and sustainably sourced.

SBP's objective is to develop the tools necessary to demonstrate that, as a minimum, solid biomass used for energy production meets these national requirements. The SBP Framework is designed as a clear statement of principles, standards and processes necessary to demonstrate such compliance. Wherever possible, the Framework takes into account and builds on existing regulatory mechanisms and on voluntary certification standards already applied to other forest product streams or to other biomass sources.

The SBP Framework provides a means to collect data describing the nature of the feedstock as well as data to be employed in the regulatory calculations of greenhouse gas (GHG) savings from its use. It also provides a means to demonstrate that risks to forest carbon stocks are managed and that forests' carbon sequestration capability is maintained.

Collectively, the six SBP Standards represent a certification framework, or scheme, against which organizations can be assessed for compliance by independent third-party Certification Bodies (CBs) such as SCS. An organization that satisfactorily demonstrates compliance receives a certificate and is entitled to make SBP claims in relation to its biomass.

For more information, and/or to obtain copies of the six SBP standards, please visit: <http://www.sustainablebiomasspartnership.org/>

Consultation

With this email, SCS encourages interested stakeholders to submit relevant information and/or comments regarding the BP's forest management and fiber sourcing/procurement operations, in order to evaluate the BP's compliance with SBP requirements. SCS will:

- review and record all submissions
- evaluate relevant submissions
- document actions taken in relation to relevant submissions, and
- document its conclusions regarding compliance of the BP with the Standards.

If you have any questions/concerns regarding this notification, please email us back and we will follow up with you accordingly.

If you are not interested in participating or providing any comments for this organization, then you do not need to do anything at all in response to this email.

If you would like to be permanently removed from our stakeholder list (and thus not receive any future notifications in regards to this, or any other company), please reply with 'remove'.

Best regards,

7 Results

7.1 Main strengths and weaknesses

Strengths:

The organization has a very comprehensive and detailed management and procedural system in place which covers all aspects of the SBP audit scope and the underlying PEFC chain of custody certification. The databases to keep track of qualitative and quantitative information are well managed, readily accessible and featured all information as requested by the auditor. Procedures, commercial documentation, records on paper were also easily accessible throughout the audit. The interviewed Chain of Custody Administrator has very good knowledge of all processes and requirements needed to achieve conformity to the SBP standards included in the scope of the certificate. All other personnel involved showed good awareness of requirements pertaining to their roles.

Weaknesses:

Weaknesses and opportunities for improvement have been recorded as nonconformities and observations and are discussed in section 10.

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 Compilation of data on Greenhouse Gas emissions

Groupe Savoie is fully committed to collecting and reporting all greenhouse gas emissions data as required by SBP standards and their customers. The company uses databases and spreadsheet based programs to collect the data and will communicate those to the client in form of the SAR. At the audit, there were one major nonconformity and two minor nonconformity issued to SBP ST5, which have been properly addressed by Groupe Savoie during the course of the audit and are closed.

7.4 Competency of involved personnel

The SBP management administrator has several years of managing the PEFC Chain of Custody, the SFI Fibre Sourcing and other certifications for Groupe Savoie. He was very knowledgeable of SBP requirements and manages most of the aspects of the certification. He manages clean and comprehensive databases of records and data pertaining to the SBP and PEFC certifications. All other personnel involved showed good awareness of PEFC and SBP requirements pertaining to their roles. Regarding SBP, the organization is consulted by Daniel Martin (Abies Consultants Inc.) who has several years of experience in forestry in the region and different forestry management certifications, such as FSC, PEFC, SFI and SBP.

7.5 Stakeholder feedback

Summary of comment	SCS follow-up action
Stakeholder expressed concern that the current 2014 Provincial Forestry Strategy fails to meet concerns of the Indigenous People Mi'kmaq, since Groupe Savoie received an Annual Allowable Cut from traditional lands of the Mi'kmaq.	SCS confirmed receipt of the comment and determined that no further follow-up correspondence was necessary.
Stakeholder asked for clarification on scope of Groupe Savoie's audit.	SCS confirmed receipt, answered inquiry into scope of audit, and determined that no further follow-up correspondence was necessary.

7.6 Preconditions

One pre-conditional Major CAR was issued during this evaluation (CAR #5) as noted in section 10. Prior to finalization of the report, CAR #5 was closed. All preconditions to certification issuance are fulfilled.

8 Review of Biomass Producer's Risk Assessments

Not applicable

9 Review of Biomass Producer's mitigation measures

Not applicable

10 Non-conformities and observations

Requirement	Type / Grade of Finding	Timeline for resolution	Likely impact of non-conformance
SBP ST5, ID 5B V1.1 4.1.2	Minor NC	12 Months	This non-conformity is not likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks
SBP ST2 V1.0 IN-2C 4.1	Major NC	Precondition to certification	This non-conformity is not likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks
SBT ST 5 V1.0, ID 5B V1.1, 4.1.3; SBP ST 5 V1.0, 7.1; SBP ST5 ID 5B V1.1 & 4.1.1	Minor NC	12 Months	This non-conformity is not likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks
SBP ST5, ID 5B V1.1 4.2.2	Observation	N/A	This observation is not likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks
SBP ST 5, ID 5B 6.2.5; SAR, section “Other fossil fuels” in Section B, Part 2 Energy Use	Major CAR	Precondition to certification	It is unknown whether this non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

Actions taken by the organization to address nonconformities:

Requirement	Type / Grade of Finding	Actions taken by certificate holder	SCS's conclusions
SBP ST5, ID 5B V1.1 4.1.2	Minor NC	<p>Organization revised the respective sections in the SAR and provided an explanation as to why the ratio is larger than 1.5. The underlying cause is that most transports are close to the average distance which is skewed by a small number of transports at large distances. This was explained in the revised version and was accepted by the auditor, since the bulk of the transports is well represented by the average as demonstrated by weighting the transport distance averages by their numbers.</p> <p>Furthermore the organization explained the larger ratio for secondary feedstock with small transport distances on site (0.5km). The average transport distance is thus distorted by a few long distance transports. The bulk of transported feedstock (65%) is only transported a small distance.</p>	<p>The auditor reviewed the revised SAR section and accepted the explanations as sufficient. Nonconformity is closed.</p>
SBP ST2 V1.0 IN-2C 4.1	Major NC	<p>The organization has revised the SBR. The report is signed by the author and the upper management. The sum of primary and secondary feedstock is now in agreement with the total sum as reported. The reference to Standard 6 was deleted from the report.</p>	<p>Auditor reviewed SBR and concluded that revision is sufficient to close the nonconformity.</p>
SBT ST 5 V1.0, ID 5B V1.1, 4.1.3; SBP ST 5 V1.0, 7.1; SBP ST5 ID 5B V1.1 & 4.1.1	Minor NC	<p>Organization revised the respective section in the SAR, now includes two additional input groups as required.</p>	<p>Auditor reviewed SAR and concluded that revision is sufficient to close the nonconformity.</p>
SBP ST 5, ID 5B 6.2.5; SAR, section "Other fossil fuels" in Section B, Part 2 Energy Use	Major CAR	<p>3/31 :Organization revised the SAR and included the fuel consumption in the respective section of the SAR.</p> <p>4/12: The auditor noted that the fuel in the "Other fossil fuel" section had not been specified and re-opened the CAR and informed the organization.</p>	<p>Auditor reviewed the respective SAR section and the fuel consumption database which is electronically fed via magnetic card system. Auditor</p>

		4/18: Organization made appropriate changes and specified the fossil fuel type.	concluded that revision is sufficient to close the nonconformity.
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11 Certification decision

Groupe Savoie conforms to SBP ST 2 V1.0, SBP ST 4 V1.0, and SBP ST 5 V1.0 (including Instruction Documents 5A, 5B, & 5C V1.1) with 2 Major CARs, 2 Minor CARs, and 1 Observation issued. All Major CARs and Minor CARs were closed prior to the close of the audit. Initial certification is approved.

12 Surveillance updates

Not applicable, main evaluation

12.1 Evaluation details

Not applicable.

12.2 Significant changes

Not applicable.

12.3 Follow-up on outstanding non-conformities

Not applicable.

12.4 New non-conformities

Not applicable.

12.5 Stakeholder feedback

Not applicable.

12.6 Conditions for continuing certification

Not applicable.

12.7 Certification recommendation

Not applicable.