

SBP

Sustainable Biomass Program

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

First Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.3

*For further information on the SBP Framework and to view the full set of documentation see
www.sbp-cert.org*

Document history

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

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1 Overview

CB Name and contact:	SCS Global Services, 2000 Powell St Ste 600, Emeryville, CA 94608
Primary contact for SBP:	Sarah Harris
Current report completion date:	25/Jun/2018
Report authors:	Sebastian Häfele
Name of the Company:	Groupe Savoie Inc.
Company contact for SBP:	Danny Perron
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/2022

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

The annual surveillance audit had the goal 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. The auditing methods applied included a review of procedures, records, databases, interviews with respective staff and a walkthrough of the pellet mill and storage facility at the port of Belledune. The following SBP critical control points were audited:

Feedstock procurement as per review of procurement records, scale tickets, supplier agreements, supply base map

Accounting of volumes and underlying COC system are based on PEFC. Material accounting is accomplished via a PEFC credit account where credits for the sale of SBP-compliant biomass are deducted.

Storage and production: Feedstock is stored on site and fed into the pellet production process. Different feedstock are kept separate, but no separation is made by claim as accounting of volumes is done via credit accounting. Finished pellets are stored in a warehouse that is exclusively dedicated to storing SBP-compliant biomass.

Energy data collection and reporting is established via spreadsheet based databases and comprehensive record keeping on paper as well as electronically. Calculations are done in spreadsheets. Sales are made via the DTS and invoices are issued to the customer.

3 Specific objective

The specific objective of this audit 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

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

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. The organization transports pellets from the Saint-Quentin plant to the port Belledune where they are stored in a warehouse. The pellets changes ownership to Groupe Savoie's customers upon loading of the ship. Transport, unloading, and loading of pellets is outsourced to Eastern Canada Stevedoring. A representative of Groupe Savoie will be witnessing the loading of ships with pellets.

5.2 Description of Company'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.

5.3 Detailed description of Supply Base

The following list provides a few summary statistics of the supply base. Please refer to the BP's Supply Base Report for more information.:

Primary Feedstock:

Certified to an SBP-approved Forest Management Scheme: 71,92% (2017)

Not certified to an SBP-approved Forest Management Scheme: 28,08% (2017)

Volume of feedstock:

Total: 186 721 metric tonnes (2017)

Primary: 26,307 metric tonnes (2017)

5.4 Chain of Custody system

The organization uses the PEFC COC system as their underlying COC system for SBP. 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. A PEFC credit account is used to account for volumes sold with PEFC and SBP claims. Sales of SBP-compliant biomass are deducted from the PEFC credit and the organization covers all their sales of SBP-compliant biomass via their PEFC credits. The BP has implemented comprehensive procedures covering all aspects of the COC system. SBP procedures are integrated within the PEFC procedural system. The COC system is administered by the Quality & Process Improvement Manager. The organizations PEFC management system and procedures were previously evaluated by another certification body and no nonconformities were identified

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.

6 Evaluation process

6.1 Timing of evaluation activities

Location / Agenda item	Date	Time	Attendees
Offices BP Saint-Quentin / Opening meeting	May 30, 2018	8:00am	Auditee: Danny Perron Jason Somers Christine Dufour Serge Laplante Yves O'Brien Stephane Caron Gilles Boucher Eric Duval Abies Consultants: Daniel Martin SCS: Sebastian Häfele
Offices BP & Pellet mill Saint Quentin Review of CoC/SBP procedures, products and material accounting Review of material balances and records Evaluation of trademarks Walkthrough of facility Verification of calculations and transactions Energy data audit		8:30am – 5:00pm	Danny Perron Daniel Martin Serge Laplante Eric Roussele Marie-Michelle Savoie
Port of Belledune, Offices BP Saint-Quentin Walkthrough of port storage facility, review OSHA procedures, programs and training records Completion of remaining document and GHG data collection review from previous day Review of nonconformities	May 31, 2018	7:00am – 4:30 pm	Danny Perron (GS) Daniel Martin (Ab) Pierre Levasseur (GS) Sebastian Häfele (SCS) Eastern Canada Stevedoring: Donald Roy Patrice Drapeau
Closing meeting		4:30 – 5:00 pm	Auditee: Danny Perron

			<p>Jason Somers Christine Dufour Serge Laplante Nathalie Savoie</p> <p>Abies Consultants: Daniel Martin</p> <p>SCS: Sebastian Häfele</p>
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6.2 Description of evaluation activities

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, OHS 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.

On-site audit:

The on-site surveillance 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

No stakeholder consultation has been performed for the surveillance audit by BP or SCS.

7 Results

7.1 Main strengths and weaknesses

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 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 Collection and Communication of Data

Groupe Savoie is fully committed to collecting and reporting all energy 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 and Static Biomass Profiling Datasheet (SBPD). The Quality & Process Improvement Manager is responsible for maintaining and collecting energy data and is supported by staff.

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

No stakeholder feedback has been received.

7.6 Preconditions

None noted.

8 Review of Company’s Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB’s final risk ratings in Table 1, together with the Company’s final risk ratings. Default for each indicator is ‘Low’, click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Not applicable

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

Not applicable

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- *applicable requirement(s)*
- *grading of the non-conformity (major or minor) or observation with supporting rationale*
- *timeframe for resolution of the non-conformity*
- *a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.*

NC number 1	NC Grading: Minor
Standard & Requirement:	SBP ID-5B, 3.1.3, ID 5C, 3.1.3
Description of Non-conformance and Related Evidence:	
The organization has supplied the SAR and SBPD to customers and End-Users, but hasn't received approval by SBP for the SAR. This CAR was identified as desk CAR and not closed during this audit. This CAR remains open and will be closed when the 2018 SAR has received approval from SBP.	
Timeline for Conformance:	Other : April 26, 2019
Evidence Provided by Company to close NC:	The revised SAR for 2017 and 2018 shall be sent to SCS for approval. Once approved by SCS, they shall be sent to the SBP for their approval. Nov 15, 2018 – Send the SAR for 2017 and 2018 to SCS for approval.
Findings for Evaluation of Evidence:	The SAR has been approved by SBP on 11/30/18.
NC Status:	Closed

NC number 2	NC Grading: Minor
Standard & Requirement:	IN 2C, 4.1
Description of Non-conformance and Related Evidence:	
The organization sources tertiary pre-consumer feedstock according to the SBP glossary (shavings etc. from processing of lumber received by sawmill), but specified this feedstock as “secondary feedstock”. According to the feedstock categories given in the cited clause and the SAR, here is an inconsistency in the standards. Nonetheless, the correct classification according to the SBP glossary should be applied in the SBR	
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:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number 3	NC Grading: Observation
Standard & Requirement:	Standard 2, 15.2

Description of Non-conformance and Related Evidence:	
The organization has supplied the SAR and SBPD to customers and End-Users, but hasn't received approval by SBP for the SAR	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The revised SAR for 2017 and 2018 shall be sent to SCS for approval. Once approved by SCS, they shall be sent to the SBP for their approval. Nov 15, 2018 – Send the SAR for 2017 and 2018 to SCS for approval.
Findings for Evaluation of Evidence:	The SAR has been approved by SBP on 11/30/18.
NC Status:	Closed

NC number 4	NC Grading: Observation
Standard & Requirement:	Standard 4, 5.1.2
Description of Non-conformance and Related Evidence:	
The credit account has not been updated for three SBP transactions, but the credit account has not been overdrawn. Credits were checked before sales, but not updated in the main Credit tab where credits are tracked.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Updated PEFC credit ledger
Findings for Evaluation of Evidence:	Observation addressed appropriately
NC Status:	Closed

NC number 5	NC Grading: Minor
Standard & Requirement:	SBP Trademark License Agreement – section 7.2 SBP certification mark and trade mark use GUIDANCE FOR CERTIFICATE HOLDERS, 4
Description of Non-conformance and Related Evidence:	
The organization used the trade marks “SBP” and “Sustainable Biomass Partnership” on their website incorrectly and couldn't present an approval from SBP.	
Timeline for Conformance:	Other 6 months
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number 6	NC Grading: Minor
Standard & Requirement:	ID 5A, 3.2.5

Description of Non-conformance and Related Evidence:	
<p>The P Bid in DTS is based on a different SDI than what has been defined for the SAR for reporting period covering 2016. P Bid has been defined for all transaction as SBP-04-05-01-00, but the corresponding SDI for that reporting period has been defined as SBP-04-05-17. Since there is only one SAR that has been distributed to clients, there is no risk of associating the wrong energy data to the DTS transactions. Thus, this is graded as Minor NC. However, the deadline is set to before any SAR can be sent to SBP for approval.</p>	
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:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 7	NC Grading: Minor
Standard & Requirement:	ID 5A, 2.1.2
Description of Non-conformance and Related Evidence:	
<p>The SAR has a few issues which are not of a systemic nature:• The feedstock mass ratios were not given• The electricity reporting did not mention the period that is covered by invoices• Fossil fuel and Biofuel 1 +2 data was not calculated on the reported amount of pellets produced (calculated with 76120 mt pellets, instead of actual production of 76126 mt) resulting in a minor error• For biofuels the MJ/mt value was missing• The reported value for biofuel mass per mt pellet was not backed up by the actual calculations.• Amount of pellets handled at storage and associated energy demand for diesel have not been updated, but changes are small.</p>	
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:	Updated SAR
Findings for Evaluation of Evidence:	SAR has been updated with correct calculations and missing information provided. SAR reviewed by auditor and found to be in conformance.
NC Status:	Closed

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Ciara McCarthy
Date of decision:	27/Sep/2018
Other comments:	<i>Click or tap here to enter text.</i>