

# Supply Base Report: Granules LG

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## Completed in accordance with the Supply Base Report Template Version 1.2

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sbp-cert.org](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

Producer name: Granules LG inc.

Producer location: 750 Chemin de la Moraine, St-Félicien (Québec) G8K 0A1

Geographic position: Lat W 72 degrees 24 minutes, Long N 48 degrees 38 minutes

Primary contact: André L'Heureux, 750 Chemin de la Moraine, St-Félicien (Québec) G8K 0A1, tel. : (418) 275-5222 ext. 331 fax : (418) 275-5242, [alheureux@granuleslg.com](mailto:alheureux@granuleslg.com)

Company website: [www.granuleslg.com](http://www.granuleslg.com)

Date report finalised: 20/Apr/2018

Close of last CB audit: 15/Jun/2018

Name of CB: NEPCon

Translations from English: No

SBP Standard(s) used: Standard 2 version 1.1, Standard 4 version 1.0 , Standard 5 version v1.0

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

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: [www.granuleslg.com](http://www.granuleslg.com)

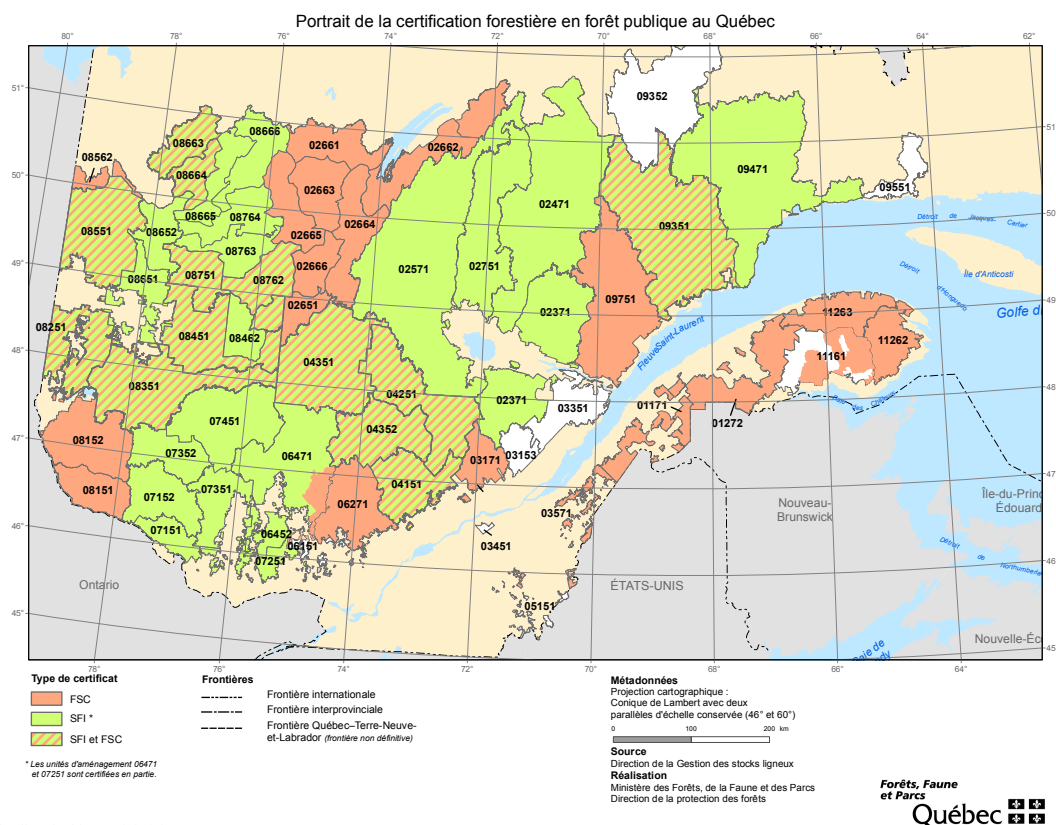
Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Description of the Supply Base

### 2.1 General description

The supply base includes the provinces of Québec and of New Brunswick. The total land base of Québec is 1 667 441 km<sup>2</sup> of which 46%<sup>1</sup> is considered forested with 761 100 km<sup>2</sup>. The boreal forest type represent 72% of this forested area, the mix deciduous 13% and deciduous temperate forest 15%. Roughly 45% of forest area is considered accessible productive forests of which 80% are of public tenure.

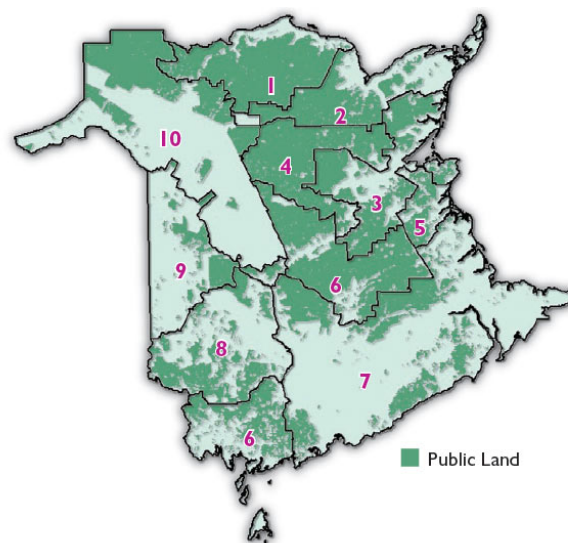
Almost all of the public forests are certified FSC, PEFC or SFI as shown on the map below while private forests are monitored by regional marketing boards. The majority of primary, secondary and tertiary forest products processing companies in Québec have in recent years established chain of custody certification (i.e. FSC, PEFC and SFI) of their products in order to demonstrate the sustainable, responsible nature of the fibres that make up their supplies. Such certification guarantees that the companies control the origin of their supplies and that the certified products that they market do not contain wood from controversial sources.



<sup>1</sup> <http://www.cifq.com/fr/industrie/presentation-generale>

The *Sustainable Forest Development Act* (SFDA) and the *Regulation respecting standards of forest management for forests in the domain of the State* (RS) make provision for several restriction and adapted practices measures concerning harvesting operations and road networks in public forests. The *Act respecting the marketing of agricultural, food and fish products* and regulations governing timber marketing by producers in each administrative region of Québec provides the framework for forest harvesting on privately owned lands. The *Act respecting threatened or vulnerable species* applies to all of Québec's territory. The province adopted a legal and regulatory framework, forest management strategies, procedures to attain the Aichi Targets established within the framework of the *Convention on Biological Diversity*. No tree species found in the organisation's feedstock are included in CITES nor IUCN species at risk.

WWF Ecoregions NA0605 – Eastern Canadian Forests, NA0410 – New England Acadian Forests and NA0408 Gulf of Saint-Lawrence Lowland Forests are found in the province of New Brunswick. Forests cover 86% of the province<sup>2</sup>. All Crown forests are certified SFI. In total, 4.2 million ha of forests are SFI certified in New Brunswick. The *Crown Lands and Forests Act* was proclaimed in 1982 and is administered by the Department of Energy and Resource Development. Private woodlots must comply with the *Clean Water Act*. There are seven Forest Product Marketing Boards who apply levies on the sale of forest products by woodlot owners. New Brunswick is legally bound to respect UN Convention on Biological Diversity 10-year plan signed by Canada in 2010. 17% of New Brunswick land and fresh water should be protected by 2020.



**New Brunswick Crown Licence Map**

The majority of the feedstock is sourced from forests located in the Saguenay – Lac-Saint-Jean region of the province of Quebec, Canada. In this region, the great majority of forests (95%) in the area are of public tenure with only 5% privately owned. Part of the boreal forest, the region is part of one WWF ecoregion, the Eastern Canadian forests – NA0605<sup>3</sup>. Feedstock of the organisation is mostly composed of coniferous tree species

<sup>2</sup> [www.sfmcanada.org](http://www.sfmcanada.org)

<sup>3</sup> WWF defines as a set of ecosystems that are characteristic of a biogeographical area defined on the basis of the predominant vegetation and animal species that have adapted to it

such as balsam fir, black and white spruce, white, jack and red pine, larch. Deciduous tree species include white and yellow birch, poplar and aspen.

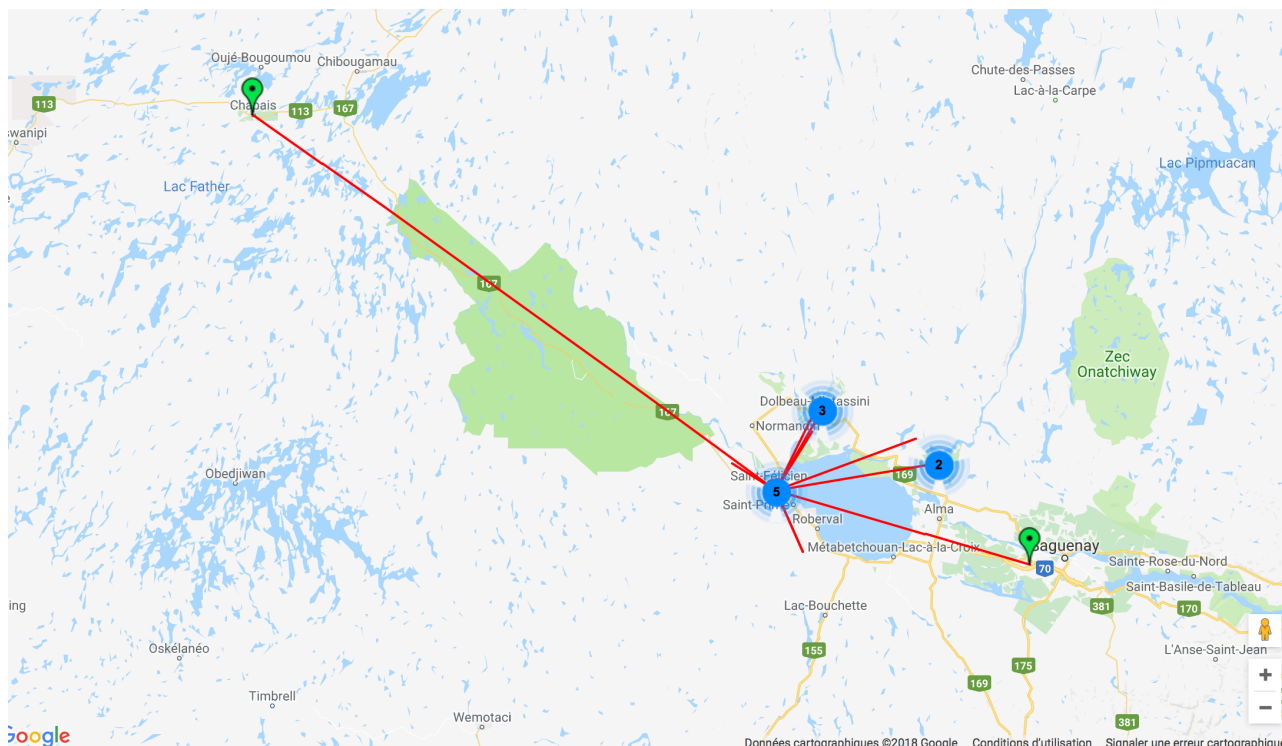
The organisation's supply is composed of 12% of secondary feedstock and 88% tertiary feedstock (i.e. pre consumer). 50% of the total feedstock is 100% PEFC Certified secondary feedstock sourced from several facilities owned by a single supplier. 24% of the total is considered tertiary preconsumer feedstock which provided FSC Mix et 100% SFI Certified by one organisation. The rest of the feedstock provided by nine suppliers, secondary and pre consumer, is considered PEFC Controlled Sources as confirmed by the organisation's PEFC certificate BNQ-COC-PEFC-51574.

## 2.2 Actions taken to promote certification amongst feedstock supplier

Promotion of forest certification is ongoing in the region for more than a decade. The Quebec Forest Industry Council (CIFQ) adopted the objective of the complete certification of the private and public territory. It is a realistic way to position the Quebec forestry industry as a leader in terms of responsible forestry, in addition to projecting the image of progressive forestry. The Quebec government supports certification of public forest as it complements Quebec's forest regime and further recognizes the quality of sustainable forest management. It also contributes to the improvement of forestry practices. In New Brunswick, the government legislation requires all Crown lands to be certified under ISO, FSC, SFI or PEFC forest certification programs.

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

## 2.3 Flow diagram of feedstock inputs showing feedstock type



*Suppliers are all processing facilities (log and lumber).*

## 2.4 Quantification of the Supply Base

### Supply Base

- Total Supply Base area (ha): 82,2 Million ha
- Tenure by type (ha): 31,4 million ha public forests and 9,5 million ha private forests
- Forest by type (ha): Quebec<sup>4</sup> : 551 400 km<sup>2</sup> boreal, 98 600 km<sup>2</sup> mix deciduous forests and 111 100 km<sup>2</sup> deciduous temperate forests // New Brunswick: 6,1 million ha mix deciduous forests
- Forest by management type (ha): managed natural
- Certified forest by scheme (ha): Quebec<sup>5</sup>: 26 million ha SFI/24 million ha FSC / New Brunswick<sup>6</sup>: 4 208 422 ha SFI

### Feedstock

- Total volume of Feedstock: between 80,000 to 100,000 tonnes metric anhydre (TMA)
  - Maximum annual feedstock is estimated at 105,000 TMA
  - Total consumption is dependent on climate, production and market demand

<sup>4</sup> <https://mffp.gouv.qc.ca/publications/forets/chiffres-cles.pdf>

<sup>5</sup> <https://mffp.gouv.qc.ca/publications/enligne/forets/criteres-indicateurs/5/537/537.asp>

<sup>6</sup> <http://certificationcanada.org/wp-content/uploads/2018/03/2017-Yearend-SFM-Certification-Detailed-Report-NB.pdf>



- g. Volume of primary feedstock: 0 tonnes
- h. List percentage of primary feedstock (g): n/a
- i. List all species in primary feedstock, including scientific name: n/a
- j. Volume of primary feedstock from primary forest: n/a
- k. List percentage of primary feedstock from primary forest (j): n/a
- l. Volume of secondary feedstock:
  - 2.5% 100% PEFC Certified
  - 1% 100% SFI Certified
  - 7% FSC Mix
- m. Volume of tertiary preconsumer feedstock:
  - 47.5% 100% PEFC Certified
  - 20% FSC Mix
  - 4% 100% SFI Certified

### 3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	X

100% of the forests found in the supply base are considered 100% SFI Certified and PEFC Controlled Sources as per the organisation's PEFC chain of custody certificate BNQ-PEFC-COC-51574.

## 4 Supply Base Evaluation

Not applicable.

## 5 Supply Base Evaluation Process

Not applicable.

## 6 Stakeholder Consultation

Not applicable.

## 7 Overview of Initial Assessment of Risk

Not applicable.

## 8 Supplier Verification Programme

Not applicable.

## 9 Mitigation Measures

Not applicable



## 10 Detailed Findings for Indicators

Not applicable.

## 11 Review of Report


### 11.1 Peer review

Not applicable.

### 11.2 Public or additional reviews

Not applicable.

## 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Nicolas Blanchette, ing. f., INCOS Strategies</i>	<i>Consultant</i>	<i>20 April 2018</i>
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	<i>André L'Heureux</i> 	<i>R&amp;D director</i>	<i>2018-06-21</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

## 13 Updates

### 13.1 Significant changes in the Supply Base

Not applicable.

### 13.2 Effectiveness of previous mitigation measures

Not applicable.

### 13.3 New risk ratings and mitigation measures

Not applicable.

### 13.4 Actual figures for feedstock over the previous 12 months

Not applicable.

### 13.5 Projected figures for feedstock over the next 12 months

Not applicable.