



SCS Global Services Evaluation of Granule 777 Inc. Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

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

CB Name and contact: SCS Global Services, 2000 Powell St. Ste 600 Emeryville, CA 94608

Primary contact for SBP: Maggie Schwartz - mschwartz@scsglobalservices.com

Current report completion date: 18/May/2020

Report authors: Theodore Brauer

Name of the Company: Granule 777 Inc.

Company contact for SBP: Denis Chiasson - Denis.Chiasson@ca.ebarrette.com

Certified Supply Base: James Bay Municipality, Province of Quebec, Canada

SBP Certificate Code: SBP-04-42

Date of certificate issue: 07/Aug/2019

Date of certificate expiry: 06/Aug/2024

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

This certificate covers production and distribution of wood pellets from secondary feedstock, for use in energy production, at Granule 777 Inc. pellet mill and road transportation to port facility Port of Saguenay for storage, aggregation and seafaring vessel loadout. The scope of the certificate does not include Supply Base Evaluation. The scope does not include the communication of Dynamic Batch Sustainability Data.

3 Specific objective

The specific objective of the annual surveillance 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.

The following SBP critical control points were audited and are described here and in the report:

*Feedstock procurement: All wood delivered is supplied by Barrette-Chapais Ltée, a sawmill located on the same site next to the pellet mill. All feedstock consists of secondary feedstock. Secondary feedstock is delivered by trucks (barks) and by a pneumatic conveying system (chips, sawdust and shavings) directly from the sawmill located on the same site next to the pellet mill.

*Storage and processing: Green chips, sawdust and shavings are first screened and milled. Wood particles are then sent to a hot air rotating dryer to bring their moisture content down to 10%. The now dry wood particles are either sent to a dry material storage area or directly sent to a second grinder to mill them down to the desired size. Follows a last measurement of their moisture content before they are sent to press for the pelletizing process.

*Volume Accounting: The documented procedures detail the process to properly maintain the volume credit spreadsheet, with provisions for subtracting certified product sold and for carrying only the past 12 months of credits. The conversion factors and material accounting records have been reviewed.

*Outgoing transactions: Invoices are issued, and all outgoing transactions of SBP-certified biomass are intended to be recorded in the DTS.

*Energy data collection and reporting: The organization developed and maintains databases to record data values and calculate energy data as required by Standard 5 and keeps records that substantiate the data.

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

N/A

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The organization is a family-owned company founded in 1975. The pellet mill of Granule 777 and the sawmill of Barrette-Chapais Ltée are located near Chapais, in the James Bay Municipality, Province of Québec, Canada. Both mills are owned and operated by Les Entreprises Barrette Ltée. The pellet mill and port facility were constructed in August 2019 for the production and sale of SBP-certified biomass.

5.2 Description of Company's Supply Base

Granule 777 supplies 100% of its wood fiber from secondary feedstock generated by the sawmilling operations of Barrette-Chapais Ltée. All the primary wood fiber transformed by the sawmill is procured from public forests except for one privately owned forest land which account for approximately 5% of the total volume of round wood procured by the sawmill. In the short term, Granule 777 will procure its feedstock exclusively from Barrette - Chapais Ltée but over time, secondary and tertiary feedstock could also be sourced from other sawmilling and planning mills of the Province. All the primary fiber supply of Barrette - Chapais Ltée, as well as other sawmills of the neighbouring areas, originates in the Province of Québec and is received with an SBP-approved chain-of-custody claim.

The total surface area of the Province of Québec is approximately 166,7 million hectares of which 59.1 million hectares are forested. The Government of Québec owns 87% of the forest area while the remaining 13% is privately owned. The Sustainable Forest Development Act rules the forest management of Québec public forests. The forests composition of the province is as follow:

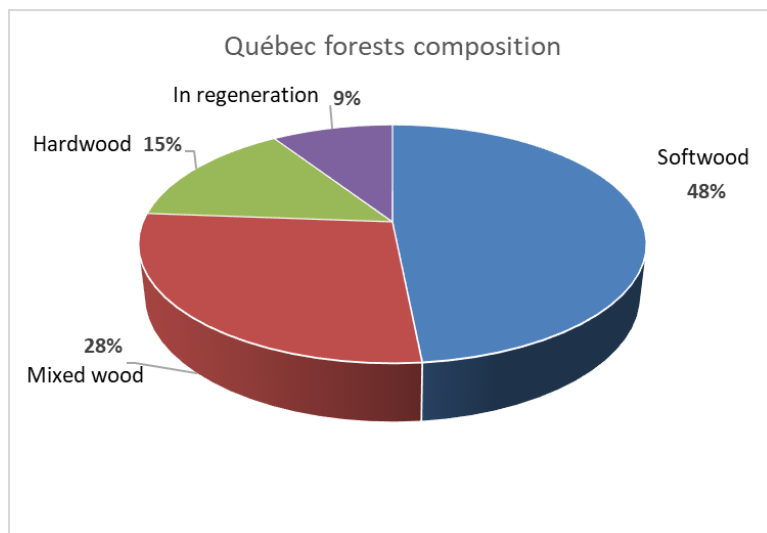


Figure 1: Québec forests composition

The allowable annual cut level (AAC) is calculated by the Chief Forester of the Province. For the 2018-2023 period, the total volume of wood per species or group of species that can be allocated to the forest industry is as follow:

**Provincial
Annual allowable cut
(m³)**

	2018	Updated November 2019 ³
Softwoods (Spruces, Jack Pine, Fir and Larch)	22 975 500	22 936 900
White Birch	4 122 400	4 120 000
Poplars	3 272 100	3 260 400
Hard and Soft Maple	1 398 400	1 398 400
Yellow Birch	1 096 100	1 096 100
Eastern Cedar	471 400	471 700
Pines White and Red	448 700	448 700
Other Hardwoods	337 500	337 500
Hemlock	78 300	78 300
Total :	34 200 400	34 148 000

Table 1: Provincial Annual allowable cut level per species or group of species

The volume of softwood harvested annually by the forest industry in the Forest Management Units covering the Supply Base Area of Granule 777 is approximately 5.8 million m³. Some 20% of this volume is processed by the sawmill of Barrette-Chapais Ltée and hence, generates 100% of the secondary feedstock used by Granule 777. For the purpose of forest management, the public forests of the Province are divided in 59 Forest Management Units (FMU). The Quebec Chief Forester determines the annual allowable cut by species or group of species in order to allocate timber volumes on each FMU, he also makes recommendations on management strategies to apply. As mentioned, Granule 777 secondary feedstock will be sourced from Barrette-Chapais Ltée sawmilling operations. Barrette-Chapais Ltée, like other regional and provincial wood processors, holds timber supply guarantees on the supply base area which is not the case for Granule 777. These timber supply guarantees are granted by the Government of Québec. The location of the Forest Management Units from which Barrette - Chapais Ltée supplies its primary fiber are shown in figure 2 on page 10.

Forest Management Planning

The timber supply guarantees confer upon each beneficiary the annual right to obtain, from one or several forest management units (FMUs), a harvesting permit for a volume of roundwood of a given specie or group of species. Staff from the MFFP performs forest management planning in collaboration with the Beneficiaries of Timber supply Guarantees (BGAs, in French), and the First Nation, as well as other parties with an interest in the land base, whether it be via 1) the Table-GIRT which brings together all stakeholders, 2) the Joint Working Groups which convene the members of the Cree communities, MFFP staff, and representatives of the BGAs, or 3) the 'Operational Tables' which bring together the relevant MFFP staff and the BGA representatives.

The beneficiaries of timber supply guarantees participate, at various levels, in the preparation of the long-term tactical plan (PAFIT), operational plan (PAFIO) and the annual planning (PRAN). The holder of a timber supply guarantee is also required to carry out certain management activities, such as harvesting operations and forest road construction, in accordance with the conditions set by the MFFP.

The long-term tactical plan sets values, objectives, indicators and targets in response to sustainable forest management issues previously identified for each FMUs. Details on the issues and management objectives for the area are published in the tactical plans (PAFIT) for every single FMU.

The MFFP managers, working with expert analysts from the Office of the Québec Chief Forester, select a range of silvicultural scenarios suitable for the forests stands of the supply base area.

Examples of silvicultural treatments applied to the forest stands are as follow:

- Harvesting with regeneration and soil protection
- Harvesting with protection of small merchantable stems
- Seed tree cutting
- Partial cut
- Commercial thinning
- Site preparation
- Planting
- Precommercial thinning

Monitoring processes and control

The implementation of the forest management strategy requires several forms of short- and medium-term monitoring to ensure that objectives are achieved. In the Province of Quebec, forest monitoring (forest inventories, pests and diseases surveying, monitoring and control of harvesting activities), and protection of sites with exceptional values are managed by the MFFP. Supervision of activities such as hunting, fishing, trapping and other recreational activities are also managed by the Ministry of Forest.

The sustainable forest development strategy and the significant environmental aspects associated with the forest management activities are specifically monitored, as well as Values, Objectives, Indicators and Targets (VOITs) established in the long-term plan with the participation of the stakeholders all represented at the Table-GIRT (the Table de Gestion Intégrée des Ressources et du Territoire - Table for the Integrated Management of the Resources and the Territory). Forest growth is also followed in several ways and at three levels: monitoring of natural forest growth, monitoring of the impact of silvicultural operations and operational monitoring of management activities. Analysis of the monitoring data, from the landscape level down to the local level, ensures suitable modelling of ecosystems and allows the MFFP to adjust its sustainable forest management strategy.

Supply Base Area description per region

Nord-du-Québec

Total surface area of the Forest Management Units: **9 065 780 ha**

Total surface area of productive forest: **4 612 010 ha (51 %)**

Total volume of round softwood annually allocated to the forest industry: **3 251 585 m³**

The FMUs of the Nord-du-Québec region are in the Spruce-moss and Balsam fir-white birch bioclimatic domains. The forest landscape is dominated by softwood stands with a regular structure. The productivity of the sites is generally lower than the average provincial stand productivity. A majority of FMUs are also affected by the paludification of the soil and an invasion of Ericaceae.

Regional specifications:

The territory of the supply base area is inhabited by the Cree Nation (Oujé-Bougoumou, Mistissini, Waswanipi, Waskaganish and Nemaska), the Algonquines (Communities of Pikogan and Lac Simon) and the Atikamekw Nation (Opitciwan). It is to be noted that 14 of the 17 FMUs are part of the territory ruled by the Agreement concerning a new relationship between le Gouvernement du Québec and the Crees of Québec¹, also called "La Paix des Braves".

¹ http://numerique.banq.qc.ca/patrimoine/details/52327/2420765?docref=nhXcRHzzdRJItQPATP_iKg

Two wildlife reserves complete the profile of the region: the Assinica reserve and the reserve of Lacs-Albanel-Mistassini-et-Waconichi.

Four Outfitters with exclusive fishing and hunting rights are also operating on the territory.

Approximately **64% of the wood fiber volume used by Granule 777 Inc.** is sourced from this region.

Mauricie

Total surface area of the Forest Management Units: 4 115 080 ha

Total surface area of productive forest: 2 415 480 ha (59 %)

Total volume of round softwood annually allocated to the forest industry: **2 558 898 m³**

The forest land of la Mauricie cover 85% of the total surface area of this region which extend on more than 33 800 Km². From North to South four bioclimatic domains are found: Spruce-moss domain, Balsam fir-white birch, Balsam fir-yellow birch and Sugar maple-yellow birch domain in the Southernmost part of the region.

This North-South distribution determines a gradient of composition, forest structure and silvicultural treatment that varies according to Latitude.

Regional specifications:

The 5 FMUs are FSC certified.

As opposed to some other regions, the defoliation due the spruce budworm infestation covers a negligible area.

For the period of 2018-2023, the softwood AAC has increased by 27% compared to the previous period (2015-2018).

Approximately **20% of the wood fiber volume used by Granule 777 Inc.** is sourced from this region.

Saguenay-Lac-Saint-Jean (FMU 25-71)

Total surface area of Forest Management Unit 25-71: 2 760 530 ha

Total surface area of productive forest: 2 055 140 ha (74 %)

Total volume of round softwood annually allocated to the forest industry: **2 235 794 m³**

Regional specifications:

Only one FMU (25-71) is used as a fiber source for Granule 777 or Barrette-Chapais

This Forest Management Unit is SFI certified.

Seven First Nation communities are located on the territory.

Four Outfitters with exclusive fishing and hunting rights are found on the territory and one wildlife reserve (443 623 ha).

This region is not part of the Timber Supply guarantee hold by Barrette-Chapais, but some primary fiber can be purchased in this Forest Management Unit on a regular basis.

Approximately **16% of the wood fiber volume used by Granule 777 Inc.** can be sourced from this region.



Granule 777 Inc.

Supply Base Area

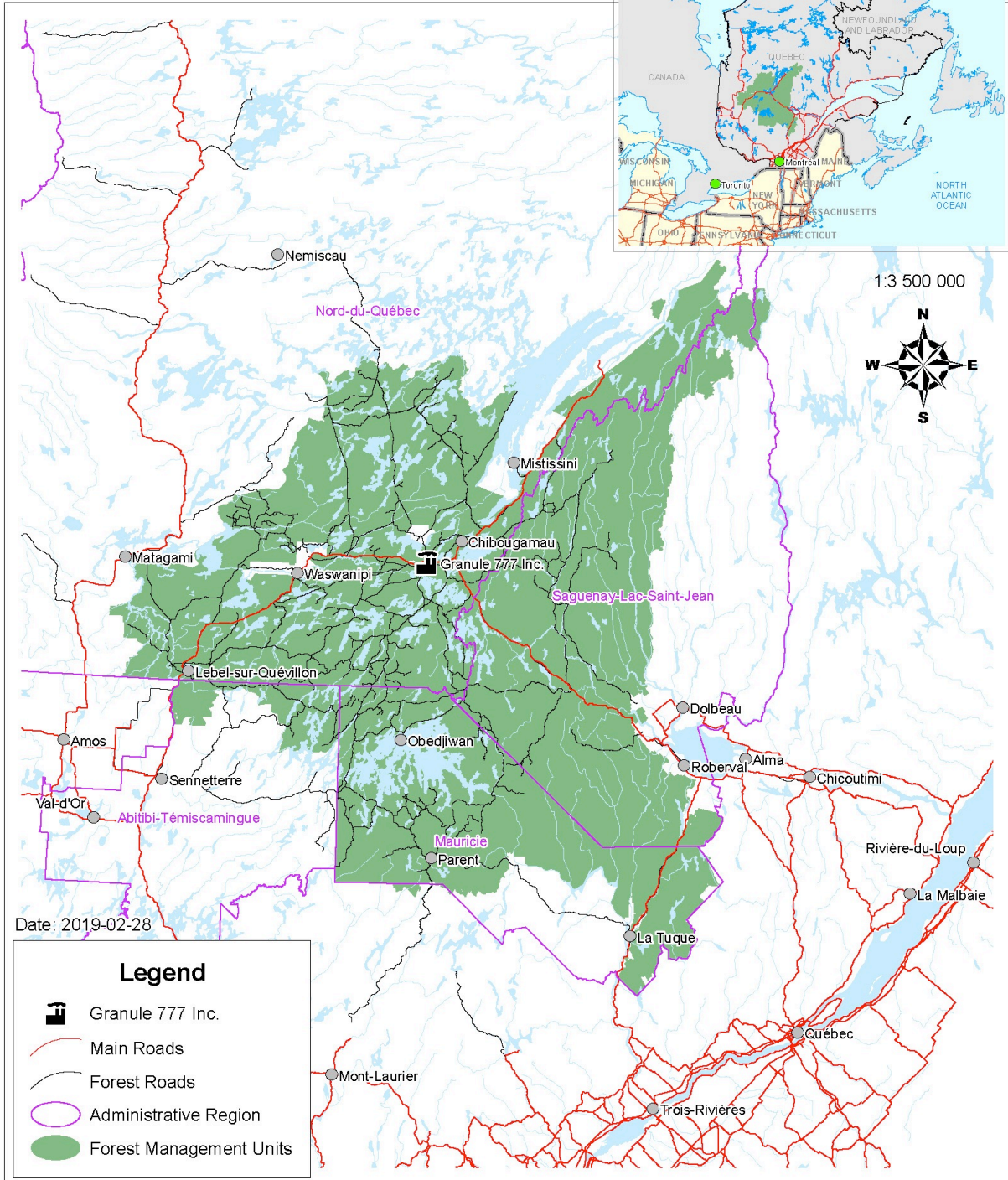


Figure 2. Supply base area for the primary fiber of Barrette-Chapais and secondary feedstock of Granule 777

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Socio-economics conditions⁷

	Province of Québec	Nord-du-Québec	Mauricie	Lac St-Jean
<i>Surface area (km²)</i>	1 300 000	707 164	35 448	95 761
<i>Population (2017)</i>	8 390 499	45 558	269 332	277 406
<i>Employment</i>	%	%	%	%
<i>Primary sector</i>	2.2	10.0	3.7	4.4
<i>Construction</i>	5.8	4.4	4.8	6.5
<i>Public services</i>	27.1	32.2	30.3	29.5
<i>Manufacturing</i>	11.7	11.1	14.6	11.6
<i>Social services</i>	27.5	31.1	30.3	30.4
<i>Technical Services</i>	25.8	11.1	17.0	17.5
<i>Available revenue per individual (2016)</i>	27 723 \$	25 179 \$	25 151 \$	25 915 \$

Population of the municipalities of interest⁸

Nord-du-Québec	Population (2019)
<i>Chibougamau</i>	7 559
<i>Mistissini</i>	3 803*
<i>Waswanipi</i>	1 759*
<i>Chapais</i>	1 609
<i>Oujé-Bougoumou</i>	900*

* 2016 Statistiques Canada

Summary of Non-forestry Activities

Mining and a wide range of other activities take place on the public land;
 Recreational activities (canoeing, hunting, trapping, fishing, snowmobiling, etc.);
 Wildlife reserves;
 Privately-managed outfitting operations;
 Camp ground sites;
 Etc.

Mauricie	Population (2019)
<i>Trois-Rivières</i>	136 134

<i>Shawinigan</i>	49 571
<i>La Tuque</i>	10 933
<i>Louiseville</i>	7 176
<i>Notre-Dame-du-Mont-Carmel</i>	5 970

Ref : MESI Portrait Régional été 2018 Mauricie

Saguenay-Lac-St-Jean	Population (2019)
<i>Saguenay</i>	146 606
<i>Alma</i>	30 831
<i>Dolbeau-Mistassini</i>	14 039
<i>Saint-Félicien</i>	10 266
<i>Roberval</i>	9 886

Ref : MESI Portrait Régional automne 2018 Saguenay-Lac-Saint- Jean

Forest industry²

Mill category	Province				Regions			
	Québec		Nord-du-Québec		Mauricie		Saguenay-Lac St-Jean	
	2017	2018	2017	2018	2017	2018	2017	2018
<i>Pulp and paper</i>	22	22	-	-	4	4	4	4
<i>Sawmilling products</i>	201	183	6	6	8	7	18	17
<i>Veneer and plywood</i>	10	10	-	-	2	2	-	-
<i>Particle boards and OSB</i>	9	10	-	-	1	-	-	-
<i>Turned and shaped wood</i>	6	4	-	-	1	-	-	-
<i>Cogeneration and pellets</i>	31	33	1	1	3	3	6	7
<i>Others</i>	8	4	-	-	1	-	2	-

² https://mffp.gouv.qc.ca/wp-content/uploads/PortraitStatistique_2018.pdf

5.3 Detailed description of Supply Base

Supply Base³

- a. Total Supply Base area (ha): **6 642 087 ha**
- b. Tenure by type (ha): **Public: 6 371 950 ha; Private: 270 137 ha**
- c. Forest by type (ha): **11 438 472 ha of Boreal forest**
- d. Forest by management type (ha): **6 642 087 ha natural**
- e. Certified forest by scheme (ha):

FSC:	908 890 ha
SFI:	4 163 750 ha
FSC and SFI:	6 365 832 ha

Note: **a; b; d;** are hectares of productive forests; while **c. and e.** refer to the total surface areas of the Supply Base.

Ref: BCL Superficies forestières des UA vs certification.xlsx

Feedstock

- f. Total volume of Feedstock: **0 - 200 000 ODMT** (Oven Dry Metric Tons)
*Justification of using 0-200K range instead of exact value: The mill has reached a stable production for only 5 months. The production is expected to be at around 200 000 ODMT but could be higher.
- g. Volume of primary feedstock: **None**
- h. List percentage of primary feedstock: **Not applicable**
- i. List all species in primary feedstock, including scientific name: **Not applicable**
- j. Volume of primary feedstock from primary forest: **None**
- k. List percentage of primary feedstock from primary forest: **Not applicable**
- l. Volume of secondary feedstock:
 - Chips, sawdust, shavings and bark: 100%
 - Origin: Barrette-Chapais Ltée - Primary processor (sawmill)
Province of Québec, Canada
- m. Volume of tertiary feedstock: **None**

5.4 Chain of Custody system

The organization is certified to both SFI and FSC Chain-of-Custody (CoC) but will use FSC as the SBP-approved CoC system for the pellet mill. The FSC CoC certificate was issued by SAI Global on 7-January-2020 and expires 6-January-2025.

³ BCL Superficies et volumes vs certification_2019-20.xlsx

6 Evaluation process

6.1 Timing of evaluation activities

The full scope of the certificate was evaluated through a virtual audit due to the COVID-19 Pandemic. The total audit time was approximately 40h. See below for a detailed description of evaluation activities:

Site Name or Location:	Granule 777	
Date and Time of Audit:	DAY 1: 1:00 PM – 12-May-2020	
Audit Activity	Items to Review / Actions	Approx. Time
Document review	Individual review of records (9am to 12pm ET)	5 hours
Opening meeting	Introductions, auditor review of audit scope, audit plan and intro/update to SBP, FSC, and SCS standards and protocols, client description of organization (1pm ET start)	20 Min
Review of CoC/SBP procedures, products and material accounting	Written procedures, work instructions, feedstock description (see ID 5B section 4), product group list, accounting system (transfer, percentage or credit; physical separation, percentage method)	30 Min
Evaluation of trademarks	Review of auditor-selected sample of SBP and/or SCS on-product and/or promotional trademark uses; review of any on-site trademark uses such as banners, posters, entryway signs	60 Min
Review of material balances and records	Auditor-selected sample of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, outsourcing agreements, other applicable SBP/CoC systems, procedures and records, tracebacks from certified outputs to eligible inputs	20 Min
Walkthrough of facility	Review of physical inputs and outputs, material receipt, processing, storage, credit account (if applicable), sale, and overall control. Verify GHG inventory.	20 min
Verification of calculations and transactions	Auditor-selected sample and verification of calculations for conversion factors, percentage claims, and credit accounts, as applicable, review of DTS transactions	30 Min
Brief summary of DAY 1		20 Min
DAY 2		
	13-May-2020	
Document review	Individual review of records (9am to 12pm ET)	5 hours
SBP ST 5, ID5A, ID5B, & ID5C	Review of GHG data collection (1pm ET start)	2 hours
Port storage facility	Review of inputs and outputs, material receipt, processing, storage, credit account, sales, GHG inventory verification, interview with port manager.	30 Min
Review of nonconformities	<ul style="list-style-type: none"> ▪ Review open nonconformities. ▪ General discussion of nonconformities. 	30 Min
Brief summary of DAY 2		20 Min
DAY 3		
	14-May-2020 - Document review and follow-up questions	8 hours

DAY 4	15-May-2020	
Closing meeting preparation	Auditor takes time to consolidate notes and review audit findings for presentation at closing meeting	30 Min
Closing meeting and review of findings	Convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps	30 Min
End		

6.2 Description of evaluation activities

Evaluation activities included document review and staff interviews. The following documents were available and reviewed during the audit:

- Copy of FSC Chain of Custody certificate & last CoC audit report
- Documented Chain of Custody procedures
- Occupational Health and Safety procedures and records of training
- Policy on internal corruption rules (ex: employees taking bribes, etc.)
- Product groups/Feedstock types - description of the physical product
- Supplier list
- Supplier contracts
- Supply Base Report (SBR)
- Supply Base description/map
- Records of complaints
- Stakeholder list
- Stakeholder notification records, comments and responses
- Risk assessments / DDS
- Record of staff training on SBP procedures
- Records of purchases, production, and sales (or invoice mockups if no purchases/ sales)
- SAR
- Energy and transport data
- Access to online Data Transfer System (DTS) at audit

6.3 Process for consultation with stakeholders

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 would be filtered to omit any stakeholders that are not geographically relevant to the certificate holder/applicant's supply base. A stakeholder notification would be sent out to all identified stakeholders after the BP's stakeholder consultation period has ended. Stakeholder comments that are received outside of regular stakeholder consultation periods are fully taken into account. No SHC was conducted for this audit.

7 Results

7.1 Main strengths and weaknesses

The organization is cooperative, extremely well organized, and has an effective management system in place to ensure all SBP requirements are met. The organization has implemented an excellent control system to determine the origin of all input material. All personnel involved in the SBP process are competent and received adequate training to perform their functions.

For weaknesses, see the non-conformity and observation section of the report below.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

The organization developed and maintains databases to record data values and calculate energy data as required by Standard 5 and keeps records that substantiate the data. All data is collected and verified by the certification manager and the project manager. All data submission was supported with verifiable evidence and all records were available for review during the audit.

7.4 Competency of involved personnel

The organization did not complete a supply base evaluation. The organization used an external consultant to implement the SBP requirements. The consultant has an excellent understanding of the SBP standards and has over 35 years of professional experience as a forest engineer and auditor in Canada. Key personnel are clearly defined in the SBP procedures and everyone involved in the SBP process received formal training from the external consultant. All personnel are competent in implementing the SBP requirements in their management system.

7.5 Stakeholder feedback

No stakeholder comments were received or came to the attention of the auditors or SCS.

7.6 Preconditions

N/A

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.

N/A

9 Review of Company's mitigation measures

N/A

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 2019.1	NC Grading: Minor
Standard & Requirement:	ID 5B: Energy and GHG Data, Version 1.1, October 2016 & Guidance Note for Standard 5, Instruction Document 5B: Energy and GHG Data, Version 1.0, December 2017
Description of Non-conformance and Related Evidence:	
The SAR completed by Granule 777 Inc. contained information that did not meet the standard requirements: Lack of data for the justification of the initial moisture content of the feedstock. Error on the inland road transportation distance calculation. Part 2 – Sea transport section was partially completed, but sea transport is excluded from the scope of the certificate. Error in the calculation of Energy use at the pellet mill. Review of G777 SAR Report - Document 5B Audit Report on Energy and GHG Data (SAR)_Signed.pdf. Interview staff. Review of quality control records for the sawmill. Review of the list of motors and power consumption (engineering data) for the pellet mill.	
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:	Revised SAR document
Findings for Evaluation of Evidence:	Corrections were provided by Granule 777 Inc prior to the closing meeting of the audit and were verified by the audit team. Refer to G777 SAR Report – Document 5B (SAR) 16 mai 2019 SIGNED-AUDIT SCS.docx
NC Status:	Closed

NC number 2019.2	NC Grading: Observation
Standard & Requirement:	SBP, Guidance Note for ID-5B, section 3.4
Description of Non-conformance and Related Evidence:	
The organization may use a propane-powered forklift as part of the pellet production process. The quantity of propane used may have to be recorded in the SAR for the next reporting period, if relevant. Interview with Benoit Leboeuf (pellet mill interim manager) during the facility walkthrough.	
Timeline for Conformance:	Other Optional
Evidence Provided by Company to close NC:	Interview with Certification manager and Project Manager. Review of SAR, SBP procedures, and electricity invoices.

Findings for Evaluation of Evidence:	The organization purchased a electric forklift and will not be using PROPANE in the pellet production process.
NC Status:	Closed

NC number 2019.3	NC Grading: Minor
Standard & Requirement:	SBP, ID 5B, 3.2.1 / ID 5C, 3.2.1
Description of Non-conformance and Related Evidence:	
Reporting period in the SAR is defined up from January 1st, 2018 to December 31st, 2019. In order to avoid having two reporting periods covering the same timeframe, the reporting period should be in the past, prior to the initial audit.	
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:	Review of the 2020 SAR and SBP Procedures. Interview with Certification manager.
Findings for Evaluation of Evidence:	The organization has correctly defined the reporting period in the 2020 SAR from 29/09/2019 to 28/03/2020.
NC Status:	Closed

NC number 2020.1	NC Grading: Minor
Standard & Requirement:	SBP Standard 5 – Instruction Document 5E, section 3.2.5; 3.2.7; 4.1.9
Description of Non-conformance and Related Evidence:	
A new SDI was not allocated for the new reporting period. The ZZ indicator of the Static Data Identifiers (SBP-XX-YY-ZZ) were not sequentially increased by 1 (one) for the new reporting period in section 4.1 of the SAR. Furthermore, the organization is a stationary biomass producer but has not defined one SDI for the end of the BP's factory gate.	
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 dated 05/15/20
Findings for Evaluation of Evidence:	Section 4.1 had been corrected to include the correct SDI with the sequential increase of the ZZ indicators (04-42-02 and 04-42-03). This CAR is closed.
NC Status:	Closed

NC number 2020.2	NC Grading: Minor
Standard & Requirement:	SBP Standard 5 – Instruction Document 5E, section 6.4.2

Description of Non-conformance and Related Evidence:	
The organization included feedstock only used as biomass fuel in the feedstock table (section 2.1) of the SAR	
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 dated 05/15/20
Findings for Evaluation of Evidence:	Section 2.1 was updated and the biomass fuel has been removed. This CAR is closed.
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):	Sebastian Häfele
Date of decision:	07/Aug/2020
Other comments:	<i>Click or tap here to enter text.</i>