Supply Base Report:
Grand River Pellets, Limited

Re-assessment

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.6

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

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Contents

1 Overview

Producer name: Grand River Pellets, Limited

Producer address: 300 Union Street, E2L 4Z2 Saint John, Canada

SBP Certificate Code: SBP-04-41

Geographic position: 47.188100, -67.928700

Primary contact: Maurice Fournier, +1 506 423 8477,fournier.maurice@jdirving.com

Company website: https://www.jdirving.com/

Date report finalised: N/A

Close of last CB audit: 11 Jun 2024

Name of CB: SCS Global Services

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock

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

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBR on Company website: https://www.grandriverpellets.com/en/sustainability/

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	**First Surveillance**	**Second Surveillance**	**Third Surveillance**	**Fourth Surveillance**	**Re-assessment**
☐	☐	☐	☐	☐	☒

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary, Tertiary

Includes Supply Base evaluation (SBE): No

Includes REDII: Yes

Includes REDII SBE: Yes

Includes RED II TOF: N/A

Feedstock origin (countries): Canada, United States

2.2 Description of countries included in the Supply Base

Country: Canada

Area/Region: New Brunswick / Quebec

Sub-Scope: N/A

Exclusions: No

Grand River Pellets Supply Base in Canada consists of the following;

- J. D. Irving, Limited owned land in New Brunswick, Canada
- New Brunswick, Canada crown land
- New Brunswick, Canada private land
- Quebec, Canada private land

J.D. Irving, Limited owned land and New Brunswick Crown Land is managed to achieve economic, social, environmental and ecological objectives. The forest has been zoned into the general forest, where timber production is a primary objective, and special management zones including unique sites, deer wintering areas, and mapped riparian zones, each of which has specific environmental, habitat or social objectives. The Supply Base is within the Acadian Forest Region and consists of spruce, balsam fir, cedar, maple, birch and poplar. Adjacent lands are similar in forest composition and land use structure. Two other forest based industries (pulp mills) in the area would operate under a similar scale of harvesting.

Forest Management practices are similar on crown land and large freehold land. They consist of 80-year rotation forest management plans that ensure sustainability of the wood supply for local mills. Annual operating plans are implemented to meet the forest management plan objectives. Third Party audited Forest Certification is used to ensure economic, environmental and social principles are met. Private land harvesting is managed through Marketing boards that provide woodlot management advice, and plans, to private woodlot owners.

The bioenergy sector is a minor portion of the harvested timber in the region.

We have three product group in this region (Sawdust, Shavings & Wood Chips). We have 2 suppliers for wood chips, 6 suppliers for sawdust & 2 suppliers for shavings. These suppliers include J.D. Irving.

From a socio-economic standpoint, J.D. Irving is the major employer in the region and contributes to the economic development by purchasing goods and services from local providers; also, J.D. Irving contributes to local sports and events by donating material & creating events to fund local organizations.

Country: United States

Area/Region: Maine

Sub-Scope: N/A

Exclusions: No

Grand River Pellets Supply Base in the USA consists of the following;
- J. D. Irving, Limited owned land in Northern Maine, USA
- Maine, USA private land

J. D. Irving, Limited owned in Maine is managed to achieve economic, social, environmental and ecological objectives. The forest has been zoned into the general forest, where timber production is a primary objective, and special management zones including unique sites, deer wintering areas, and mapped riparian zones, each of which has specific environmental, habitat or social objectives.

The Supply Base is within the Maine Forest Region and consists of spruce, balsam fir, cedar, maple, birch and poplar. Adjacent lands are similar in forest composition and land use structure. Other forest based industries (Sawmills) in the area would operate under a similar scale of harvesting.

Forest Management practices consist of 80-year rotation forest management plans that ensure sustainability of the wood supply for local mills. Annual operating plans are implemented to meet the forest management plan objectives. Third Party audited Forest Certification is used to ensure economic, environmental and social principles are met. Private land harvesting is managed by private landowners and their contractors.

The bioenergy sector is a minor portion of the harvested timber in the region.

We have three product group in this region (Sawdust, Shavings & Wood Chips). We do not have any suppliers for wood chips from this region, 4 suppliers for sawdust & 1 suppliers for shavings. These suppliers include J.D. Irving.

From a socio-economic standpoint, J.D. Irving is the major employer in the region and contributes to the economic development by purchasing goods and services from local providers; also, J.D. Irving contributes to local sports and events by donating material & creating events to fund local organizations.

2.3 Actions taken to promote certification amongst feedstock supplier

SBP feedstock is obtained through SBP - approved Chain of Custody Certification System (SFI) and SBP compliant.

2.4 Quantification of the Supply Base

Supply Base

a. **Total Supply Base area (million ha)**: 8.20
b. **Tenure by type (million ha):** 5.00 (Privately owned), 3.20 (Public)
c. **Forest by type (million ha):** 8.20 (Temperate)
d. **Forest by management type (million ha):** 2.00 (Managed natural), 6.20 (Natural)
e. **Certified forest by scheme (million ha):** 5.00 (SFI), 0.80 (FSC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above
Explanation: The dominant machines use are cut to length harvesters and forwarders. Thinning is used to manage long lived species and young natural and planted stands. Clear felling is used to manage short lived species that are mature.
Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority
Explanation: Harvesting in the supply base area is primarily to feed sawmills. Chips from the sawmills are delivered to pulp mills

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority
Explanation: Yes - Majority Explanation: The supply base area produces abundant natural regeneration after harvest. SFI certification requires sites to be regenerated after 5 years of felling.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? Yes - Majority
Explanation: We are recuperating the tree tops after the sawlogs and pulp wood have been harvested that would have been going to waste otherwise.

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): 500000.00 tonnes
Explanation: Green tonnes

Feedstock

Reporting period from: 01 Jun 2023

Reporting period to: 31 May 2024

a. **Total volume of Feedstock**: 200,000-400,000 tonnes
b. **Volume of primary feedstoc**k: 1-200,000 tonnes

c. **List percentage of primary feedstock, by the following categories.**
   - Certified to an SBP-approved Forest Management Scheme: 80% - 100%
   - Not certified to an SBP-approved Forest Management Scheme: 0%

d. **List of all the species in primary feedstock, including scientific name:** Abies balsamea (Balsam Fir); Picea rubens (Red Spruce); Picea glauca (White Spruce); Picea mariana (Black Spruce); Picea abies (Norway Spruce); Pinus banksiana (Jack Pine); Pinus strobus (White Pine); Pinus resinosa (Red Pine); Larix laricina (Tamarack); Tsuga canadensis (Hemlock); Thuja occidentalis (Eastern White Pine); Acer saccharinum (Sugar Maple); Acer rubrum (Red Maple); Acer pensylvanicum (Striped Birch); Betula alleghaniensis (Yellow Birch); Betula papyrifera (White Birch); Betula populifolia (Grey Birch); Fagus grandifolia (Beech); Quercus rubra (Red Oak); Quercus macrocarpa (Bur Oak); Populus tremuloides (Trembling Aspen); Populus balsamifera (Balsam Poplar); Populus grandidentata (Large Tooth Aspen); Ostrya virginiana (Irondwood);

e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
   - Name of species: N/A
   - Biomass proportion, by weight, that is likely to be composed of that species (%):

f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 8.88

g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 91.12

h. **Proportion of biomass composed of or derived from saw logs (%):** 0

i. **Specify the local regulations or industry standards that define saw logs:** Small end diameter greater than 10.6 centimeters

j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00

k. **Volume of primary feedstock from primary forest:** 0 N/A

l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes**:
   - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
   - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A

m. **Volume of secondary feedstock**: 200,000-400,000 tonnes
   - Physical form of the feedstock: Chips, Sawdust

n. **Volume of tertiary feedstock**: 1-200,000 tonnes
   - Physical form of the feedstock: Offcuts, Shavings, Sawdust (dry)

o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** 500000.00tonnes

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	**Sourced by using Supply Base Evaluation (SBE) %**	**FSC %**	**PEFC %**	**SFI %**
Primary	0.00	0.00	0.00	100.00

Secondary	0.00	0.00	0.00	100.00
Tertiary	0.00	0.00	0.00	100.00
Other	0.00	0.00	0.00	100.00

3 Requirement for a Supply Base Evaluation

Note: Annex 1 is generated by the system if the SBE is used without Region Risk Assessment(s). Annex 2 is generated if RED II SBE is in the scope.

Is Supply Base Evaluation (SBE) is completed? No

N/A

Is REDII SBE completed? Yes

The SBE is specifically for RED II compliance; limited in scope to only consider primary feedstock we are using for pellet production.

4 Supply Base Evaluation

Note: Annex 2 is generated if RED II is in the scope.

4.1 Scope

Feedstock types included in SBE:

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

7 Mitigation measures

7.1 Mitigation measures

7.2 Monitoring and outcomes

N/A

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
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.			

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A

Annex 2: Detailed findings for REDII

Section 1. RED II Supply Base Evaluation

Country: Canada	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	The legality of harvesting operations within the primary feedstock supply base is managed through the SFI and ISO 14001 management systems. The supply base is third party audited each year to ensure that SFI Forest Management and ISO 14001 criterions are met. This ensures that feedstock complies with all applicable laws and regulations. Examples of items verified during the audit include land ownership maps, tenure records, environmental performance and records, adherence to health and safety regulations, working conditions, adherence to forest products chain of custody requirements. GRP has implemented and is committed to maintain the mass balance requirements.
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	The forest regeneration of harvested areas in the primary feedstock Supply Base is certified under SFI & ISO 14001 management standards and audited by a competent auditor yearly. The SFI audit ensures reforestation plans are in place, prompt reforestation after final harvesting is completed, Harvest areas are planted within two years or two planting seasons, or by planned natural regeneration methods within five years. These results are audited in the field by the third party auditor.
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	

Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	The New-Brunswick "Protected Natural Areas Act"; was established to legally protect natural reserves in the province. The areas are protected against all forms of development, including construction, road building, forestry operations and mining. There are no Natural Protected Area in our primary feedstock Supply Base area.
(iv) That harvesting is carried out considering the maintenance of soil quality and biodiversity with the aim of minimising negative impacts	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Harvesting is carried out considering the maintenance of soil quality and biodiversity with the aim of minimizing negative impacts. SFI, and ISO 14001 certified. As a certified organization, are required to demonstrate they are following practices to protect and maintain forest and soil productivity & health. These include Standard Operating Procedures specifically designed to maintain soil quality & biodiversity within the primary feedstock Supply Base. Our voluntary and award-winning conservation program entitled “Unique Areas Program” has grown from 29 sites in the 1980s to over 2,200 sites (84,000+ ha) to date on the lands we own and manage. Our company provides training to staff so that they may recognize biodiversity hotspots within our land base and establish conservation areas to retain those important ecological features as well as places of historic/cultural importance. Just within the Northern New Brunswick region alone, our company has over 460 Unique sites covering over 13,338 ha of ground, all protecting features such as rare plant sites, large stick nests, vernal pools hosting uncommon salamanders and frogs as well as complex wetlands and old forest stands.
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	The SFI certification audit ensures that the primary feedstock Supply Base is managed to maintain or improve the long term production capacity of the forest. There are documented reforestation plans, The growing stock is

	monitored and managed actively. Round wood is harvested under various prescriptions ranging from final harvests, shelter woods, selected harvests, and commercial thinning. The lands are regenerated promptly or remained stocked after harvest for the long term forest productivity.
LULUCF criteria 29(7)	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Level B management system at the level of the forest sourcing area	N/A

Section 2. RED II detailed findings for secondary and tertiary feedstock

10.1 Verification and monitoring of suppliers

Each load received is weighed and recorded at a certified scale. A scale ticket is produced with a unique number. The scale ticket contains the origin, product, destination & weight. We have a database that registers all loads along with the origin's information (name, location, type of supplier). A report can be generated at any time to verify, and monitor deliveries. In the event that there is an error on the documentation, it is addressed by investigating the proper information and corrected in the database. If a load does not meet the RED II definition of secondary/tertiary feedstock after inspection, it is segregated and then returned to the supplier.

10.2 Feedstock inspection and classification upon receipt

The feedstock being delivered is visually inspected by the loader operator and stored accordingly. In the event that a load does not meet the visual inspection, it is segregated for further inspection by the quality manager where it will be decided what is the proper course of action. The materiel is tested for moisture and registered in our quality database. The scale ticket & numbers are registered in the scale system.

10.3 Supplier audit for secondary and tertiary feedstock

25% of the secondary and tertiary feedstock suppliers were audited. All feedstock was REDII compliant.

Section 3. RED II detailed findings for TOF feedstock

NOTE: For “Trees outside forests (TOF) – Urban and landscape feedstock1“ no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For “Trees outside forests (TOF) – Agricultural land feedstock“ the applicable criteria are Article 29 paragraphs (2)-(5).