SBP

Sustainable Biomass Partnership

PricewaterhouseCoopers LLP Evaluation of RTK WP Canada, ULC dba Rentech (Wawa Facility) 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

Contents

1 Overview

CB Name and contact:	PricewaterhouseCoopers LLP, Vancouver Canada
Primary contact for SBP:	Shawn Ellsworth, Director – Sustainable Business Solutions, +1 (604) 806-7219, shawn.w.ellsworth@ca.pwc.com
Report completion date:	25/Jul/2016
Report authors:	Daniel Martin, ing.f. SBP Lead Auditor Abies Consultants Inc. +1 (506) 223-1100 daniel@abiesconsultants.com
Certificate Holder:	**RTK WP Canada, ULC** **dba Rentech** Mill Road, Hwy 101 East Limer, Ontario, Canada
Producer contact for SBP:	Pierre-Olivier Morency, RPF 981 Balmoral St., Suite 101, Thunder Bay, ON, Canada P7B 0A6 (418) 554-1101, pmorency@rentk.com
Certified Supply Base:	Currently non applicable for Rentech Supply Base Area.
SBP Certificate Code:	SBP-03-18
Date of certificate issue:	17/Aug/2017
Date of certificate expiry:	16/Aug/2022

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
☒	☐	☐	☐	☐

2 Scope of the evaluation and SBP certificate

Scope of the Evaluation: Main evaluation was to assess the Biomass Producer's conformance to SBP Standards 2, 4, and 5 and the respective Instruction Notes and Documents. The evaluation included on-site visit to the pellet mill in Wawa, Ontario, Canada and field visit to suppliers. A follow-up evaluation included on-site visit to the Port of Quebec City, Quebec, Canada.

Rentech has been working on a Supply Base Evaluation to increase their ability to supply SBP Compliant fibre; however, the SBE has not yet been fully developed. Therefore, a Supply Base Evaluation is not included in the scope of the current evaluation.

Certification Scope: The production of wood pellets for use in energy production at the Wawa, Ontario wood pellet manufacturing plant and transportation to the Quebec City port facility, Quebec for storage, aggregation, vessel loading and shipping. The certification scope excludes a Supply Base Evaluation.

SBP Certificate Code: SBP-03-18

3 Specific objective

The primary objectives of the assessment were:

- Collecting assessment information;
- Confirming that information and comparing it to the Sustainable Biomass Partnership (SBP) Standards 2, 4 and 5 (V1.0) (the “Standards”), the Client’s documented processes and public documents, and PwC’s requirements (the “Requirements”);
- Generating assessment findings; and
- Preparing the Assessment report.

4 SBP Standards utilised

4.1 SBP Standards utilised

The following SBP Standards were utilized:

- Standard 2: Verification of SBP – Compliant Feedstock. Version 1.0. 26 March 2015
- Standard 4: Chain of Custody. Version 1.0. 26 March 2015
- Standard 5: Collection and Communication of Data. Version 1.0. 26 March 2015

The above Standards can be accessed or requested from SBP at the following website: https://sbp-cert.org/

4.2 SBP-endorsed Regional Risk Assessment

Not applicable - No SBP endorsed Regional Risk Assessment was used for this assessment.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Rentech is a publicly traded company specialized in the production of wood pellets. The focus of this audit was the production facility in Wawa, Ontario. Rentech's Wawa facility (RTK WP2 Canada, ULC) sources fibre within the province of Ontario and Manitoba and especially within the Canadian Boreal Forest and Great Lakes/St. Lawrence Forest Regions and a small volume of FSC® controlled wood from Manitoba and Minnesota, US.

Rentech – Wawa

In 2015, 128,251 Green Metric tonnes (GMT) of fibre was supplied to Rentech's Wawa facility, for a total production of 30,596 MT. For future years, it is anticipated the facility will reach full operating capacity and will require up to 900,000 GMT of fibre. The Rentech Wawa Pellet Plant currently support about 40 full time jobs, and a further 165 jobs in the harvest and delivery of the required fibre supply.

Biomass Feedstock types	Tonnage (data in metric tonnes as received) - 2015	SBP feedstock product groups	Number of suppliers	Species mix	Certification status
Branches, tops and bark	58,976 GMT	SBP-compliant Primary Feedstock	2	Refer to list below	100% certified
Branches, tops and bark	1,722 GMT	SBP-controlled Primary Feedstock	1	Refer to list below	0% certified
Long rotation (broadleaf)	42,948 GMT	SBP-compliant Primary Feedstock	1	Refer to list below	100% certified
Long rotation (broadleaf)	4,261 GMT	SBP-controlled Primary Feedstock	5	Refer to list below	0% certified
Long rotation (conifer)	10,686 GMT	SBP-compliant Primary Feedstock	1	Refer to list below	100% certified
Long rotation (conifer)	719 GMT	SBP-controlled Primary Feedstock	2	Refer to list below	0% certified
Saw dust and bark processing residue	6,632 GMT	SBP-controlled Secondary Feedstock	3	Refer to list below	0% certified
Total	128,251 GMT				

Biomass Feedstock types	Tonnage (data in metric tonnes as received - GMT) - 2015
SBP Compliant Primary Feedstock	114,917
SBP Controlled Primary Feedstock	6,702
Total Primary Feedstock	121,619
SBP Controlled Secondary Feedstock	6,632
Total Secondary Feedstock	6,632
Total Feedstock	**128,251**

5.2 Description of Biomass Producer's Supply Base

The supply base is considered the north east and north west districts of the Province of Ontario, either directly or indirectly through other forest product processing facilities. The supply area falls into 4 Ecoregions, Western Great Lakes Forest, Central Canadian Shield Forest, Eastern Forest Boreal Transition, Mid-Western Canadian Shield.

In Ontario, the forest management planning system is based on a legal and policy framework with sustainability, public and Aboriginal involvement, and adaptive management as key elements. The Crown Forest Sustainability Act and the Environmental Assessment Act provide the legislative framework for forest management in Ontario. Forest Management Units (FMU) are managed by Sustainable Forest License (SFL) holders under the authority of the Crown Forest Sustainability Act and issued by the Ontario Ministry of Natural Resources and Forestry (MNRF). Fibre is harvested and delivered from approved harvest blocks identified in the Annual Work Schedules required by the Forest Management Plans.

In addition to crown sources in Ontario, primary fibre is sourced from private land within the province. The land size ranges from 2 hectares to 10,000 hectares.

Private land owners must comply with all legal requirements including the Forestry Act and the Municipal Act, to encourage sustainable forest management, the Province of Ontario provides for managed forest tax incentives. Additional legislation pertains to the legality of wood and the transportation of all wood requires appropriate documentation that is monitored by the Ministry of Transportation.

Rentech Wawa Facility is currently supplied from Forests from Ontario North East Region from Crown and Private Land contained within:

Forests	Total Area (hectares)	Total Crown (hectares)	Total Patent (hectares)	Certification type
Algoma Forest	1,570,776	972,353	568,087	FSC
Martel Forest	1,191,274	1,139,373	40,294	FSC
White River Forest	612,567.4	611,379.2	1,074.3	FSC
Nagagami Forest	448,389.1	447,514.4	869.5	N/A
North Shore Forest	1,250,487	1,075,685	133,417	FSC
Magpie Forest	440,538	391,978	46,455	N/A
Big Pic Forest	657,148.3	651,784.3	5,364	FSC
Romeo Malette Forest	629,878	605,280	18,651	FSC
Total	**6,801,057.8**	**5,895,346.9**	**814,211.8**	

Rentech has a wood procurement policy endorsed by senior management which includes a clear commitment by the company to implement its best efforts to avoid trading and sourcing wood or wood fibre from the controversial categories for controlled wood. This includes a commitment to a FSC® Chain of custody system certified for the procurement of fibre. Rentech does not procure any uncontrolled wood as per FSC®. Rentech FSC® Certificate information is available at info.fsc.org.

The company does not procure any CITES or IUCN species in Rentech's supply base.

5.3 Detailed description of Supply Base

H Ontario covers 107,636,418 hectares (ha) in total area (266 million acres) with 87% of the Province being publicly owned (93.2 million ha) including: 9.7 million ha within parks and protected areas and 83.5 million ha of other Crown managed lands. 13% of Ontario is Federal/First Nations or privately owned (14.4 million ha).

- 66% of Ontario is forested (71 million ha) - this is approximately 17% of Canada's forests and 2% of the world's forests
- 26 % of the Province is managed forest where all harvesting activities take place
- Ontario has approximately 85 billion trees
- There are over 7 billion cubic metres of growing stock (tree volume) in Ontario
- There are four broad forest regions in Ontario (Hudson Bay Lowlands, Boreal, Great Lakes-St. Lawrence, and Deciduous)
- 61% of Ontario's forests have reached full development
- 9% of Ontario's forests are within Parks and Protected areas (6.4 million ha)
- 81% of Ontario's forests are on Crown land (public forest lands 57.5 million ha)

From April 1, 2011 to March 31, 2012, 44% of Ontario's Crown forest was managed for forestry (27.8 million ha). Annually, the total forest harvest area of the Province of Ontario is approximately 114,110 hectares with a forest harvest volume of 12.6 million cubic metres (m^3) only about 50% of the total annual allowable cut (AAC). The annual forest renewal is 109,040 hectares with 43,648 hectares regenerated by artificial means (tree planting and seeding) and 65,392 hectares regenerated naturally.
Rentech sources fibre within the province of Ontario/ Manitoba and the state of Minnesota especially within the Canadian Boreal Forest and Great Lakes/St. Lawrence Forest Regions.

Boreal Forest
Canada shares 30% of the global boreal forest. The Canadian portion of the boreal region stretches from the Yukon and northeastern British Columbia across the northern parts of the Prairie Provinces, Quebec and Ontario to Labrador and Newfoundland. It forms a band more than 1000 kilometres wide. This area is primarily publicly owned and is rich in natural resources. Encircling the earth's Northern Hemisphere just south of the ArcticCircle, this green mantle of mainly coniferous forest comprises about 16.6 million square kilometres, or roughly one-third of the planet's forested area. Most tree species of the boreal forest are conifer. The boreal forest consists mainly of black spruce, white spruce, tamarack, jack pine, balsam fir and there are a few broad leaf species consisting mainly of aspen and white birch.

Great Lakes/St. Lawrence Forest
Among Canada's forest regions, the Great Lakes/St Lawrence area is second in size only to the boreal, covering southeastern Manitoba to the Gaspé Peninsula in Quebec. Trees in this region are a mix of coniferous and deciduous, with species such as the red pine, eastern white pine, yellow birch and eastern hemlock. Many boreal species may also be found here, in addition to beech, red oak, basswood, eastern white cedar, white elm and large tooth aspen.

5.4 Chain of Custody system

Quality system requirements

The chain of custody management system is effectively implemented. All interviewed employees' demonstrated good knowledge and awareness of the relevant standard requirements as well as applicable company procedures. FSC Procedures manual define the procedures for the FSC CoC management system. A procedures manual for the FSC CW is defined and implemented as well. Company policies are effectively implemented.

Rentech have the technical capabilities to manage changes in the scope of the certificate, including increases in the number of suppliers. Both production facilities are in the process of increasing their production.

Wood/fibre sourcing/FSC Controlled Wood Program

Adequate control measures are implemented to prevent the purchase of uncontrolled wood. Each supplier must have a contract agreement prior to delivering material to any of the production facilities. All purchase contracts include wording which ensures the legality of supply.

From Crown lands it is ensured that an Authority to Haul Unscaled Forest Resources (ATH) is issued prior to contracting which demonstrates that both the harvesting license and approval to haul is in place. For Private primary purchases legal ownership of the fibre is verified prior to purchase or landowner consent is acquired. For secondary fibre purchases a supply area declaration is obtained prior to contracting.

During the contract agreement process, Rentech procurement personnel will ensure the district of origin of the non-certified wood material is included in their company risk assessment. As part of the quality monitoring process, field visits are implemented and the district of origin is then verified. This process is adequately implemented for both production sites.

The company's contracts state that logs and wood fibre shall not originate from controversial sources. Contracts and legal descriptions for the land show the legal ownership and origin of the fibre procured. District of origin of each supplier is available and a declaration is provided by each supplier. A list of suppliers is kept at both production facilities.

A risk assessment has been conducted and found to be in compliance with the FSC-STD-40-005 V2-1 standard requirements. Rentech came to the conclusion of low risk for each of the controlled wood categories. If low risk cannot be verified, the material is not accepted at either facility.

Production control and records

Records to demonstrate compliance to the standards are available and legible. Relevant documentation is available in electronic format for each site included in the multi-site certificate. Each production facility has a weigh scale for incoming material. The weigh scale is the control point for incoming material. A truck cannot be weighed if a contract has not been put in place previously. This ensures adequate control of all input material sources. Incoming material is weighed at each site. Volume control is ensured through an inventory management system.

Labelling control

Rentech do not use any labels on their products.

Invoicing and shipping

Invoicing is a function of the central office. The invoicing process was verified during the audit. The invoices verified as part of the audit contained all the information required by the Standards. Rentech currently have two clients, one domestic and one export. For the domestic client, material is delivered directly to the client by truck and the terms of sale is FOB delivered. For the export client, material is first transported from the pellet plant by rail to the Port of Quebec City, where the material is then stored in silos, conveyed and loaded on a vessel for export to the client. The terms of sale for the export shipment is FOB Quebec City. Inventory is tallied at the Port, prior to shipping.

6 Evaluation process

6.1 Timing of evaluation activities

Date	Location	Activity	Person involved	Duration
May 2016	Edmundston, N.B.	Audit planning	Lead auditor	0.5 days
13 June 2016	Thunder Bay, ON	Audit opening meeting Admin structure, COC procedures, Training, Health and Safety. Overview of operations and review of management system, input and output records.	Procurement Manager, Accounting Manager	0.5 days
14 June 2016	Limer, ON	Site Tour: Weigh Scale / Inputs / Quality Control / GHG Emission Sources and Sinks (Meters).	Lead auditor, Procurement Manager	1.0 days
15 June 2016	Limer, ON	Field visit of suppliers	Lead auditor, Procurement Manager	1.0 days
16 June 2016	Wawa, ON	Site Tour: Weigh Scale / Inputs / Quality Control / GHG Emission Sources and Sinks (Meters). Field visit of suppliers.	Lead auditor, Procurement Manager	1.0 days
17 June 2016	Thunder Bay, ON	Auditor complete audit notes. Closing meeting.	Lead auditor, Procurement Manager	0.5 days
July 2016 August 2016	Edmundston, N.B.	Report writing, follow-up on non-conformances	Lead auditor	2.0 days
16 June 2017	Quebec City, QB	Site Tour at the Port of Quebec City: Rail Weigh Scale / Inputs / Quality Control / GHG Emission Sources and Sinks (Meters).	Lead auditor, Rentech CoC Coordinator, Port Management	0.3 days

6.2 Description of evaluation activities

Pre-Assessment / Document Review:
The pre-assessment consisted of a review of documents and procedures by PwC staff.

Initial Assessment:
PwC conducted the Initial Assessment on-site at Rentech's production plant by conducting interviews with management and the authors of the SBR, reviewing management system records, GHG calculations, inspecting the plant and interviewing staff at critical control points such as the weigh station, which is the fibre entry point to the plant. PwC also observed Rentech's BMP monitoring system being implemented at a sample of their suppliers, which included three primary feedstock suppliers and one secondary feedstock supplier.

PwC Stakeholder Consultation:
Not Applicable.

Follow-up Site Visit to the Port:
PwC conducted a follow-up to the Initial Assessment on-site at the Port of Quebec City, Quebec in June 2017. The PwC Lead Auditor conducted interviews with the port management on the critical control points such as the rail weigh station, storage, handling and loading procedures. Observations were made onsite by inspecting the port for sources of energy and reviewing GHG calculations. PwC also observed Rentech's quality control monitoring system of the pellets at the port.

Audit Closure and PwC Certification Decision:
PwC provided the draft non-conformities and opportunities for improvement to Rentech following the closing meeting of the Initial Assessment. Rentech responded with their root cause analysis and corrective action plans.

Once the Lead Auditor accepted Rentech's changes and closed the audit findings, the PwC Lead Auditor's working papers including protocols/checklists and evidence of conformance was reviewed by a Peer Lead Auditor.

The complete Rentech file was then reviewed by the PwC Practice Leader who made the final PwC certification decision.

6.3 Process for consultation with stakeholders

Not applicable.

7 Results

7.1 Main strengths and weaknesses

The following Good Management Practices were highlighted at the closing meeting:

- Rentech's commitment to the certification process.
- Rentech's Health and Safety processes and procedures are effectively implemented.

The company has appropriate internal management systems to ensure that all suppliers of wood fibre are monitored for compliance. This is determined through the individual supplier risk assessment samples, which determine whether onsite inspections are necessary and completed. All inspections are documented and filed accordingly by contract for the company. The auditor verified the supplier monitoring records for Tembec (Martel Forest) (roundwood), Vic's Fabrication Shop (sawdust), Normand Verville (sawdust), Eton (roundwood), and Rainone/Bonafero Mill works (hog fuel). Verified evidence of risk assessment verifications for these suppliers. Risk assessments verifications are appropriately documented and available on file at Rentech's office. In regards to private forests, Rentech are implementing a process to distribute Operations Handbook/BMP manuals to private suppliers. Rentech's Operations Handbook (Version 1.1, April 2016) will be handed out with contracts. The Handbook contains BMP information on soil conservation.

Rentech have implemented a chain of custody management system certified against FSC-STD-40-004 V2-1. The BP is expected to implement all aspects of the chain of custody system for the SBP feedstock and biomass. Currently, Rentech is using the credit system in their chain of custody and are using a credit account table to appropriately keep track of inputs and outputs of credits.

There is no evidence that Rentech are using a credit account table (as implemented in their COC management system) to calculate the SBP feedstock with all the SBP-approved Forest Management Scheme Claims for inputs as well as for outputs of SBP-compliant biomass and SBP-controlled biomass. A non-conformance was raised on this issue. Refer to 482-IA-NC-02. This non-conformance was raised at the level of major because the condition represents a fundamental failure to meet the standard requirement for chain of custody.

Rentech have not created the relevant product groups for the SBP standard. This non-conformance was raised at the level minor because the condition does not represent a fundamental failure to meet the standard requirement. However, Rentech was required to implement a corrective action before the sale of SBP compliant feedstock and SBP controlled feedstock was to be initiated. Refer to 482-IA-NC-06- MINOR
Issues were raised in regards to the availability of data.

- At the time of the audit, Rentech's SBR had not been made readily available on their website. Refer to 482-IA-NC-03- MINOR.
- At the time of the audit, the Wawa SBR was not signed by senior management. Refer to 482-IA-NC-04- MINOR.
- At the time of the audit, Rentech have not made GHG and profiling data available to customers and end-users in an appropriate format. This non-conformance is applicable to Wawa. Refer to 482-IA-NC-05- MINOR.

These non-conformances were raised at the level minor because the issues does not represent a fundamental failure to meet the standard requirement. However, Rentech was required to implement corrective action within a maximum of 60 days. Each of these non-conformances were closed prior to PwC recommending certification of Rentech.

All of the nonconformities have been addressed with acceptable root cause analysis and action plans. All of nonconformities are closed. The nonconformities are not likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Compilation of data on Greenhouse Gas emissions

Rentech has the required expertise in-house to calculate and report accurate GHG data. PwC found that the scope of the calculations included all of Rentech's operations and the calculations used the industry knowledge and tools that are currently available. At the time of the audit, the information was not made available to customers and end-users that resulted in a minor nonconformity (482-IA-NC-05- MINOR), as discussed in section 7.2 above.

7.4 Competency of involved personnel

Interviewed personnel included the Certification Coordinator and Fibre Supply Manager for Atikokan, the Manager of Commercial operations, the Accounting Manager for the Central Office in Thunder Bay, the Facility Manager for Wawa and the Fibre Procurement Manager for Wawa. All interviewed employees' demonstrated good knowledge and awareness of the relevant standard requirements as well as applicable company procedures.

The management team at Rentech demonstrated strong knowledge of the fibre procurement context in their Supply Base Area

7.5 Stakeholder feedback

Not applicable.

7.6 Preconditions

The following non-conformances are considered as pre-conditions to certification. Rentech were provided a total of 60 days to provide a root cause analysis and corrective action plan for each of these non-conformances as well as evidence of implementation of the corrective action plans and of correction of each of the non-conformances. Refer to Section 10 below for more information on these non-conformances. The non-conformities are not likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

Audit Finding	Description	Status
482-IA-NC-02 - MAJOR	There is no evidence of a credit table adapted to meet the SBP standard requirements.	Closed
482-IA-NC-03 - MINOR	The SBR has not been made readily accessible on the Rentech website.	Closed

482-IA-NC-04 - MINOR	The Wawa and Atikokan SBR have not been signed off by senior management.	Closed
482-IA-NC-05 - MINOR	Rentech have not made GHG and profiling data available to customers and end-users in an appropriate format. This non-conformance is applicable to both Wawa and Atikokan.	Closed
482-IA-NC-06 - MINOR	Rentech have not created the relevant product groups for the SBP standard.	Closed

8 Review of Biomass Producer's Risk Assessments

Rentech are certified to the FSC Chain of Custody and FSC Controlled Wood standards. Rentech purchase all feedstock within the scope of their FSC controlled wood system and rely on their FSC Due Diligence System to manage supplied fibre risks.

A Supply Base Evaluation is not included in the scope of the evaluation.

9 Review of Biomass Producer's mitigation measures

Not applicable. Mitigation measures were not required

10 Non-conformities and observations

Assessment Finding Information	
Organization: RTK WP DEV Canada, ULC	Date: June 17, 2016
Assessment Finding N°: 482-IA-NC-02- MAJOR	Assessment Team Leader: Daniel Martin, ing.f.

Assessment Criteria Reference Section

Standard and Clause N°: Sustainable Biomass Partnership (SBP) Standards 4 (V1.0) @ Section 5.1.2 requires that the legal owner implements all aspects of the SBP-approved CoC system requirements for the SBP feedstock and biomass.

Assessment Finding and Description of Objective Evidence

There is no evidence of a credit table adapted to meet the SBP standard requirements has been developed and implemented to effectively manage the SBP-compliant biomass and the SBP-controlled biomass.

This non-conformance is raised at the level major because the condition represents a fundamental failure to meet the standard requirement for chain of custody.

Rentech is required to implement all aspects of the chain of custody system for the SBP feedstock and biomass. Currently, Rentech are using the credit system in their chain of custody ("CoC") and are using a credit account table to appropriately keep track of inputs and outputs of credits. There is no evidence that Rentech are using a credit account table (as implemented in their CoC management system) to calculate the SBP feedstock with all the SBP-approved forest management scheme claims for inputs as well as for outputs of SBP-compliant biomass and SBR-controlled biomass.

Working Paper/Protocol Reference: Refer to protocol, standard 4 tab, item 5.1.2.

Action Plan Due Date: July 15, 2016
Implementation of corrective action due date: August 15, 2016

Corrective Action Response

Summarize root cause analysis: Credit table was not adjusted in time for the audit.

Corrective Action (for system wide problem) or Correction (for isolated incident) Taken (if applicable, attach supportive documentation): The Company intends to rectify this non-conformance by adjusting existing table to include three (3) types of credits – FSC COC & SBP Compliant, FSC Controlled Wood & SBP Compliant, FSC Controlled Wood & SBP Controlled (areas outside of SBP consultation). The monitoring will be kept separately.

Steve Hosegood, July 15th 2016

PwC Internal Use

PwC comment(s): The corrective action developed is acceptable. PwC will review the implementation of the corrective action on August 15 2016.

Follow-up by PwC on August 15 2016 – Rentech provided a modified credit table that takes into account the following:

- Feedstock received with an SBP-approved Forest Management Scheme claim (other than FSC certified).
- A tab was added to account for feedstock coming from the defined Supply Base and for which a valid Supply Base Evaluation has been determined. This feedstock is Controlled Wood (under the FSC system), but SBP-Compliant under the SBP system.
- A tab was added to account for feedstock that is Controlled Wood (under the FSC system) and considered SBP-Controlled feedstock.

Verified the FSC/SBP Credit questionnaire used as guidance when determining the material category of input material (SBP_FSC credit categories NCR2.pdf).

This new accounting process has been implemented for the Atikokan and Limer production facilities. Credit tables are managed by the Thunder Bay (Central) office. The status of this assessment finding is **CLOSED**. *Daniel Martin, ing.f. July 15, 2016* *Revised August 15, 2016*

Assessment Finding Information	
Organization: RTK WP DEV Canada, ULC	Date: June 17, 2016
Assessment Finding N°**:** 482-IA-NC-03- MINOR	Assessment Team Leader: Daniel Martin, ing.f.
Assessment Criteria Reference Section	
Standard and Clause N°: Sustainable Biomass Partnership (SBP) Standards 2 (V1.0) @ Section 7.1 requires that the BP prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP's website. Commercially sensitive and confidential information may be excluded from the SBR.	
Assessment Finding and Description of Objective Evidence	
The SBR has not been made readily accessible on the Rentech website. This non-conformance is raised at the level minor because the issue does not represent a fundamental failure to meet the standard requirement. However, Rentech will be required to implement corrective action within a maximum of 60 days. The BP is expected to make the SBP readily available to the public on their website. *Action Plan Due Date: July 15, 2016* *Implementation of corrective action due date: August 15, 2016*	
Corrective Action Response	
Summarize root cause analysis: Standard to comply was not fully understood. Rentech assumed that the Supply Base Report (SBR) had to be in final form after review to be signed and made publicly available. **Corrective Action (for system wide problem) or Correction (for isolated incident) Taken (if applicable, attach supportive documentation):** The SBR will be made available on the Rentech website by July 31, 2016. *Pierre-Olivier Morency, July 15th 2016*	
PwC Internal Use	
PwC comment(s): The corrective action developed is acceptable. PwC reviewed the implementation of the corrective action on August 15 2016 and verified Rentech's website, and the SBR for Atikokan and the SBR for Wawa/Limer are available. Atikokan: http://www.rentechinc.com/reference-docs/Supply-Base-Report-RTK%20-%20ATK%20-%20Final.pdf#zoom=80 Wawa/Limer: http://www.rentechinc.com/reference-docs/Supply-Base-Report-RTK%20-Wawa%20-%20Final.pdf#zoom=80 The status of this assessment finding is **CLOSED**. *Daniel Martin, ing.f. July 15, 2016* *Revised August 15, 2016*	

Assessment Finding Information	
Organization: RTK WP DEV Canada, ULC	Date: June 17, 2016
Assessment Finding N°: 482-IA-NC-04- MINOR	Assessment Team Leader: Daniel Martin, ing.f.
Assessment Criteria Reference Section	
Standard and Clause N°: Sustainable Biomass Partnership (SBP) Standards 2 (V1.0) @ Section 19.2 requires that the SBR to be signed off by senior management.	
Assessment Finding and Description of Objective Evidence	
The Wawa and Atikokan SBR were not been signed off by senior management. This non-conformance is raised at the level minor because the condition does not represent a fundamental failure to meet the standard requirement. However, Rentech will be required to implement corrective action within a maximum of 60 days. The BP is required to have their respective SBR signed off by senior management. *Action Plan Due Date: July 15, 2016* *Implementation of corrective action due date: August 15, 2016*	
Corrective Action Response	
Summarize root cause analysis: Standard to comply and timeline were not fully understood. Sustainability team assumed that the SBR had to be sign after auditor review to then be made publicly available. **Corrective Action (for system wide problem) or Correction (for isolated incident) Taken (if applicable, attach supportive documentation):** The SBR will be signed off by the Company senior management by July 31, 2016. *Pierre-Olivier Morency, July 15th 2016*	
PwC Internal Use	
PwC comment(s): The corrective action developed is acceptable. PwC reviewed the implementation of the corrective action on August 15 2016 and verified Rentech's website, and the SBR for Atikokan and the SBR for Wawa/Limer are available, and signed by the Director Operations and the Managing Director. Atikokan: http://www.rentechinc.com/reference-docs/Supply-Base-Report-RTK%20-%20ATK%20-%20Final.pdf#zoom=80 Wawa/Limer: http://www.rentechinc.com/reference-docs/Supply-Base-Report-RTK%20-Wawa%20-%20Final.pdf The status of this assessment finding is **CLOSED**. *Daniel Martin, ing.f. July 15, 2016* *Revised August 15, 2016*	

Assessment Finding Information	
Organization: RTK WP DEV Canada, ULC	Date: June 17, 2016
Assessment Finding N°: 482-IA-NC-05- MINOR	Assessment Team Leader: Daniel Martin, ing.f.
Assessment Criteria Reference Section	

Standard and Clause N°: Sustainable Biomass Partnership (SBP) Standards 5 (V1.0) @ Section 5.2 requires the collection of data for the purpose of: • Enabling energy and carbon balance calculations. • Providing feedstock profiling data which are required by individual regulators. • Communication to external stakeholders on sustainability of BPs' feedstock inputs. In addition, Section 5.3 stipulates that there are three methods by which information is communicated. 1) The SBP database of GHG and profiling data. These data are accessible by generators and enable them to report to their regulators. 2) Batch specific data which is specific to each delivery of biomass. (A batch is a unit of production with identical energy and carbon, profile and sustainability characteristics data. A delivery can comprise a number of batches.) This information is available to all organisations which take legal ownership of the biomass. 3) The BP's Supply Base Report. This is publicly available on the BP's and the SBP websites.
Assessment Finding and Description of Objective Evidence
Rentech have not made GHG and profiling data available to customers and end-users in an appropriate format. This non-conformance is applicable to both Wawa and Atikokan. This non-conformance is raised at the level minor because the condition does not represent a fundamental failure to meet the standard requirement. However, Rentech will be required to implement corrective action within a maximum of 60 days. The BP is required to communicate GHG and profiling data. The standard offers three options to effectively implement the communication of the data. *Action Plan Due Date: July 15, 2016* *Implementation of corrective action due date: August 15, 2016*
Corrective Action Response
Summarize root cause analysis: Sustainability team did not fully understand this Standard requirement and have not made GHG and profiling data available to customers and end-users in an appropriate format. **Corrective Action (for system wide problem) or Correction (for isolated incident) Taken (if applicable, attach supportive documentation):** The GHG profile data will be added to the SBR and be made publically available to customers and end-users in an appropriate format. *Pierre-Olivier Morency, July 15th 2016*
PwC Internal Use
PwC comment(s): The corrective action developed is acceptable. PwC will review the implementation of the corrective action on August 15 2016. Follow-up by PwC on August 15 2016 –Verified Rentech's website, and the SBR for Atikokan and the SBR for Wawa/Limer are available. In Annex 2 of the respective SBR is the Greenhouse Gas and Profiling data. Atikokan: http://www.rentechinc.com/reference-docs/Supply-Base-Report-RTK%20-%20ATK%20-%20Final.pdf#zoom=80 Wawa/Limer: http://www.rentechinc.com/reference-docs/Supply-Base-Report-RTK%20-Wawa%20-%20Final.pdf#zoom=80 The status of this assessment finding is **CLOSED**. *Daniel Martin, ing.f. July 15, 2016* *Revised August 15, 2016*

Assessment Finding Information	
Organization: RTK WP DEV Canada, ULC	Date: June 17, 2016
Assessment Finding N°: 482-IA-NC-06- MINOR	Assessment Team Leader: Daniel Martin, ing.f.
Assessment Criteria Reference Section	
Standard and Clause N°: Sustainable Biomass Partnership (SBP) Standards 5 (V1.0) @ Section 7.1 requires the BP to categorize the feedstock into one or more Product Groups. Details of the product groups are found in Instruction Document 5A: Collection and Communication of Data.	
Assessment Finding and Description of Objective Evidence	
Rentech has not created the relevant product groups for the SBP standard. This non-conformance is raised at the level minor because the condition does not represent a fundamental failure to meet the standard requirement. However, Rentech will be required to implement corrective action before the sale of SBP compliant feedstock and SBP controlled feedstock is to be initiated. **Working Paper/Protocol Reference:** Protocol tab Standard 5, item 7.1. *Action Plan Due Date: July 15, 2016* *Implementation of corrective action due date: August 15, 2016*	
Corrective Action Response	
Summarize root cause analysis: The Company thought that this criteria was fulfilled in the SBR. **Corrective Action (for system wide problem) or Correction (for isolated incident) Taken (if applicable, attach supportive documentation):** Product groups to be created and listed. *Pierre-Olivier Morency, July 15th 2016*	
PwC Internal Use	
PwC comment(s): The corrective action developed is acceptable. PwC reviewed the implementation of the corrective action on August 15 2016 and verified the revised Rentech FSC product group schedule (Rentech Product Group Schedule 17 August 2016.doc). The revised product group schedule integrates the product groups as defined by the SBP and the product groups as defined by the FSC CoC system. The status of this assessment finding is **CLOSED**. *Daniel Martin, ing.f. July 15, 2016* *Revised August 17, 2016*	

Opportunity for improvement

Assessment Information	
Organization: RTK WP DEV Canada, ULC	Date: June 17, 2016
Assessment Finding N°: 482- IA-OFI-03	Assessment Team Leader: Daniel Martin, ing.f.
Assessment Criteria Reference Section	
Standard and Clause N°: Sustainable Biomass Partnership (SBP) Instruction document 5a (V1.0) @ Section 3.5.1. Where forest products, rather than residues, are used, the BP shall provide the necessary data to calculate the energy embedded in pesticides used on forest products. This is the pesticide used in the forest throughout the reporting period and shall be reported in kg active substance/t harvested wood (taking into account the total amount of wood harvested during the rotation period). The concentration of the active substance shall be taken into account in the calculation.	

Consider obtaining data for the use of chemical herbicides on the SB. Applicable data was not available for the period covered by the SBP. This information for the reporting should be available in November 2016 according to Rentech. **Working Paper/Protocol Evidence:** Protocol tab 5(a) item 3.5.1
Client Response
The Company intends to review and include chemical herbicide data to existing SB. \\ *Pierre-Olivier Morency, July 15th 2016*
PwC Lead Assessor Response
The status of this assessment finding is **CLOSED**. *Daniel Martin, ing.f. July 15, 2016*

11 Certification decision

The results of this initial audit indicate that the management system implemented by Rentech is suitable and effective with the exception of the area(s) of non-conformance identified during the audit. A root cause analysis and evidence of corrective action have been provided. The lead auditor recommended certification of the client on November 14, 2016 and the Practice Leader approved the certification on that date.

12 Surveillance updates

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.