



**BUREAU
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**Bureau Veritas Certification
North America, Inc.
SFI Fiber Sourcing Audit Report**

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PQC Code	E01E
Contract Number	US1603808

Certification Audit:		Re-Certification Audit:	X	Surveillance Audit:	#	Scope extension audit:	
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Audit Summary
<p align="center">Introduction</p> <p>This report summarizes the results of the renewal audit conducted on Rayonier Advanced Materials’ SFI program for fiber sourcing operations. Richard Boitnott, Bureau Veritas Certification Lead Auditor conducted the audit April 7 through April 10, 2015.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>The scope of the audit is “wood procurement activities”. The audit was conducted against the SFI 2015-2019 Standard Fiber Sourcing Edition. All applicable indicators in the fiber sourcing standard were covered during the audit. There was no substitution or modification of indicators. Specifically, two objectives of the SFI audit were to verify that the Program Participant’s SFI Program is in conformance with the SFI Objectives, Performance Measures, and Indicators, and any additional indicators that the Program Participant chooses, and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.</p> <p align="center">Audit Plan</p> <p>The audit began with a ½ day document review on Tuesday, April 7. Field audits for the Eastman and Collins fiber facilities, and the Fernandina pulp mill were conducted the afternoon of the 7th through the morning of the 10th. A closing meeting was held at noon on the 10th. An audit plan was developed and is maintained on file by Bureau Veritas Certification.</p> <p align="center">Company Information</p> <p>Rayonier Advanced Materials (Rayonier AM) is now a stand-alone company that was formerly the fiber sourcing and manufacturing division of Rayonier. Rayonier AM procures wood for two pulp mills located in Jesup Georgia and Fernandina Beach Florida. Wood is procured directly into chip mills (termed “fiber facilities) and the pulp mill located in Fernandina Beach Florida. No wood is procured directly into Jesup; all fiber for Jesup arrives from the fiber facilities. All wood is procured through gatewood purchases. The company does not purchase stumpage directly from landowners.</p>

Multi-Site Requirements

Rayonier AM maintains a multi-site certification consisting of a central office located at the Jesup Georgia pulpmill, a pulpmill in Fernandina Beach Florida, and five fiber facilities. All facilities conduct the same activity-fiber sourcing. The company qualifies for multi-site sampling since the management system is controlled and directed by the central office. There is one set of procedures that applies to the entire system, and the SFI manager is the sole person responsible for maintaining the procedures. The company operates an internal audit program whereby the SFI manager reviews the activities of each participating site. Facilities covered during the audit were selected based on a randomized schedule developed by Bureau Veritas Certification at the time of renewal.

Multi-Site	X	Group Certification	
Sites		Sites Audited During this Event	
Jesup, GA pulpmill (central office)		X	
Fernandina Beach, FL pulpmill		X	
Offerman fiber facility			
Collins fiber facility		X	
Eastman fiber facility		X	
Barnesville fiber facility			
Quitman fiber facility			

Audit Results

The document review was conducted to determine if Rayonier AM has modified its procedures to incorporate the new requirements of the SFI 2015-2019 Fiber Sourcing Edition Standard. The field audit consisted of a review of nine open market tracts to determine if the company is effectively monitoring BMP compliance of its wood suppliers.

Objective 1-Biodiversity in Fiber Sourcing: Rayonier AM has not yet developed a defined program to promote biodiversity in fiber sourcing. This resulted in the issuance of a minor non-conformance. It is a new requirement of the SFI 2015-2019 Fiber Sourcing Edition Standard, so the company has a year to implement the requirement after it has developed a corrective action plan to satisfy the non-conformance. Rayonier AM does not purchase stumps, so indicator two of this objective is not applicable.

Objective 2-Adherence to Best Management Practices: Contracts contain a requirement to comply with BMPs. Wet weather contingency plans are in place, consisting primarily of inventory management and geographical dispersion of fiber facilities. Rayonier randomly visits approximately 100 open market tracts per year, most of which are done with the supplier who purchased the tract. Rayonier also requests supplier's attendance during third-party audits. Suppliers were present at six of the nine open market tracts visited during this audit. This effort to involve suppliers in both the company's monitoring efforts and third-party audits is a commendable effort to promote BMP compliance. The BMP monitoring forms observed during this audit accurately reflected BMP performance on the ground. Inaccurate monitoring led to a minor non-conformance during the previous surveillance audit, so the results of this audit demonstrated Rayonier's effective implementation of corrective actions.

Objective 3-Use of Qualified Resource and Qualified Logging Professionals: Rayonier requires all loggers delivering to company facilities to complete SIC-approved logger training and maintain continuing education. The company has access to lists of trained loggers through SIC websites. The company checks training status of contractors when it conducts a BMP audit.

Objective 4-Legal and Regulatory Compliance: Rayonier has access to applicable legal requirements. Its system for regulatory compliance consists of contract requirements, training, and BMP monitoring of open market suppliers. There is no adverse regulatory action information in evidence. Rayonier AM has contractual language requiring proper ownership of the wood to be delivered to company facilities. The company has conducted a controlled wood risk assessment for each of its facilities. The risk of procuring material from illegal sources has been determined to be low.

Objective 5-Forestry Research, Science and Technology: Rayonier is a member of NCASI, providing evidence of contribution towards research. All foresters in the company can access the NCASI website to review research if they desire. Rayonier's participation in SICs includes the development and distribution of biodiversity conservation information. The company also gathers information on overall BMP compliance in each state in which it operates. The company recently conducted growth and drain assessments for a potential new fiber facility. Rayonier has access to information on the potential impacts of climate change on forest health and wildlife habitat.

Objective 6-Training and Education: A written statement of commitment has been developed and is available to all procurement staff on the SFI SharePoint website. Rayonier has developed a roles and responsibilities matrix to cover all employees throughout the wood procurement organization. Procurement foresters and all loggers delivering to Rayonier facilities are required to maintain SIC-approved training in the state in which they operate. Records reviewed during the audit indicate both employee and logger training met the company's requirements. The company's membership in the Georgia and Alabama SICs includes the development and distribution of logger training.

Objective 7-Community Involvement and Landowner Outreach: Rayonier is a member of the Georgia and Alabama SICs. Its membership includes the development and distribution of landowner information materials. The company distributes landowner brochures to its suppliers for their use, as Rayonier does not deal directly with landowners. There was no evidence the organization has a program to take into account the results of regional conservation initiatives, resulting in the issuance of a minor non-conformance. Rayonier is involved in a number of public education efforts.

Objective 8-Public Land Management Responsibilities: N/A-Rayonier does not have any public land management responsibilities.

Objective 9-Communications and Public Reporting: A review of the SFI, Inc. website provided evidence Rayonier submitted its previous surveillance audit report as required for public review. The company has procedures in place to provide for all the pieces of information needed to complete the SFI annual progress report. The 2014 SFI annual progress report was being prepared while the audit was in progress. This late submission was due to the report template originally being sent by SFI, Inc. to Rayonier USFR instead of Rayonier AM. SFI, Inc. is now working with Rayonier AM to get their report completed.

Objective 10-Management Review: Rayonier has a management review process in place. One of the items to be discussed during management review is results of internal audits. The company's management review meeting minutes provided no evidence this was discussed. A minor non-conformance was issued due to the importance of the internal audit process in meeting multi-site sampling requirements.

Objective 11-Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Conservation Wilderness Areas: N/A-Rayonier does not purchase material from outside the U.S. and Canada.

Objective 12-Avoidance of Controversial Sources including Illegal Logging: N/A-Rayonier does not purchase material from outside the U.S. and Canada.

Objective 13-Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws: N/A-Rayonier does not purchase material from outside the U.S. and Canada.

Findings

Previous non-conformances:

One minor non-conformance was issued during the previous audit due to ineffective monitoring of BMPs. Results of this audit indicate Rayonier has implemented corrective actions. The non-conformance is considered closed.

Non-conformances:

Three minor non-conformances were issued. One was due to a lack of a defined program to promote biodiversity in the fiber sourcing program, which is a new requirement. The others were due to a lack of a program to take into account the results of conservation planning efforts, and lack of discussion of internal audit results during management review, as required by the company's own procedure. The SF02 nonconformity reports are shown below.

Opportunities for Improvement:

No opportunities for improvement were issued.

Notable Practices:

One notable practice was issued.

1. PM 2.2, Ind. 2: Rayonier does an excellent job of having suppliers attend both the BMP audits they conduct, and audits conducted by the third-party auditor. This is a commendable effort to reinforce the importance of BMP compliance.

Logo/label use:

Rayonier does not use either the SFI or BVC logos.

SFI reporting:

The 2014 surveillance audit report for Rayonier SEWP (now Rayonier AM) was found on the SFI website as required for public review.

Conclusions

Results of the audit indicate Rayonier Advanced Materials has implemented a management program that meets the requirements of the SFI 2015-2019 Standard Forest Management Edition, with the exception of three minor non-conformances. Corrective action plans are due to melani.potts@us.bureauveritas.com within 30 days of the closing meeting.

Follow-up

Rayonier AM presented corrective action plans for the minor non-conformances, which were cleared on April 29. The company is recommended for renewal certification to the SFI 2015-2019 Standard Fiber Sourcing Edition.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: April 7, 2015				To: April 10, 2015			
Number of SF02's Raised:			Major:		0		Minor:		3
Is a follow up visit required:		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	4/29/2015
Proceed to/Continue Certification		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	4/29/2015
All NCR's Closed		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	
Standard audit conducted against:									
1)	SFIS 2015-2019 FS Edition			3)					
2)				4)					
Team Leader (1):		Team Members (2,3,4...)							
Richard Boitnott; CF, EMS(LA)		2)							
		3)							
		4)							
		5)							
Scope of Supply: (scope statement must be verified and appear in the space below)									
<i>Wood procurement activities</i>									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	The first surveillance audit should begin prior to April 10, 2016								
Audit Report Distribution									
Rayonier AM : David Clepper-david.clepper@rayonieram.com									
BVC: Melani Potts-melani.potts@us.bureauveritas.com									

Clause	Audit Report
Opening Meeting	Participants: David Clepper, Van Wier Discussions: <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 1. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: David Clepper, Van Wier, Steve Worthington, Tom Termer Discussions: <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 3 ➤ Date for next audit. ➤ Reporting protocol and timing