



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

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PQC Code	E01E

Contract Number:	US.1918777	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	1
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Audit Summary

Introduction

This report summarizes the results of the first surveillance audit conducted on the Zilkha Biomass Fuels SFI program for fiber sourcing operations at the Selma, Alabama mill. Zilkha Biomass Fuels produces wood pellets for bio-fuel at the Selma mill.

The audit was conducted by Rick Larkin, Bureau Veritas Certification Lead Auditor, on January 19 - 20, 2016. The company was evaluated against the SFIS 2015-2019 Standard. All objectives applicable to a fiber sourcing operation were reviewed during the audit. There was no substitution or modification of any indicators.

Audit Scope, Objectives and Process

The scope statement was verified as “*Wood Procurement*”. The Lead Auditor determined this statement accurately reflected the scope of the audit. 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.

Audit Plan

The audit began on January 19, 2016 at the Selma, Alabama office. An opening meeting was and the objectives for the audit were outlined and the audit process for collecting evidence and making audit findings was explained. Findings of non-conformance and opportunities for improvement were also explained. The audit plan was discussed and agreed to, and the time and date of the closing meeting was also confirmed. There were no substitutions or modifications of SFI indicators.

A copy of the audit plan is maintained on file by Bureau Veritas Certification.

Company Information

Zilkha Biomass produces wood pellets for bio-fuel at the Selma, Alabama mill. Zilkha Biomass purchases wood chips, shavings and dust through a supplier network.

Audit Results

A review of system documentation indicated the organization's program meets the intent of the SFI 2015-2019 standard. The company developed a thorough set of documented procedures. All personnel interviewed during the stage 1 audit demonstrated knowledge of SFI requirements, and did an excellent job of presenting evidence to support its program. During the audit six gateway BMP Compliance Check sites were audited. All sites were in compliance with Alabama BMPs.

Objective 1 – Biodiversity in Fiber Sourcing: ZBF has conducted a biodiversity risk assessment of its wood supply area.

Objective 2 – Adherence to Best Management Practices: During the audit a total of six gateway tracts were reviewed. The sites consisted of five clearcut tracts and one thinned tract. All sites had been harvested in compliance with Alabama Best Management Practices for Forestry.

Objective 3 – Use of Qualified Resource and Qualified Logging Professionals: Zilkha Biomass does not accept any wood from professional wood producers who have not completed and are current in a state SIC approved logger training course.

Objective 4 – Legal and Regulatory Compliance: Access to applicable legal requirements is in place. No adverse regulatory action information was evident. The company has developed 2 risk assessments as part of their COC program. Illegal logging is considered low risk.

Objective 5 – Forestry Research, Science, and Technology: The company supports forestry related research through a donation to the Auburn University School of Forestry and Wildlife Science. Zilkha Biomass is a member of the Alabama State Implementation Committee.

Objective 6 – Training and Education: Employee training requirements are specified. Records verified all training has occurred as required. All contractors harvesting tracts reviewed during the audit were properly trained. The company Fiber Supply Agreement requires that suppliers delivering wood to the mill have completed and are current in a state SIC approved logger training course.

Objective 7 – Community Involvement and Landowner Outreach: Zilkha Biomass is an active participant in the Alabama SIC.

Objective 8 – Public Land Management Responsibilities: N/A

Objective 9 – Communications and Public Reporting: ZBF has procedures to collect the required information need to complete the SFI annual report.

Objective 10 – Management Review and Continual Improvement: Zilkha Biomass has a detailed management review process which BVC can rely on.

Objective 11 – Promote Conservation of Biological Diversity, Biodiversity Hotspots, and High-Biodiversity Wilderness Areas: N/A

Objective 12 – Avoidance of Controversial Sources including Illegal Logging: N/A

Objective 13 – Avoidance of Controversial Sources including fiber sourced from areas without effective social laws: N/A

Findings

Non-conformances:

No non-conformances were identified during the audit.

Opportunities for Improvement:

No opportunities for improvement was identified.

Notable Practices:

No notable practices were identified.

Logo/label use:

Zilkha Biomass does not intend to use the SFI on product label or the SFI logo. Additionally, the company does not intend to use the BVC logo.

Conclusions

Results of the audit indicate that the Zilkha Biomass SFI program meets all requirements of the 2015 – 2019 SFI Standard and is being effectively implemented. The company does a good job of monitoring BMP implementation on gateway tracts

A closing meeting was held on January 21, 2016 at the Selma, Alabama office. The results of the audit were discussed and a recommendation for continued certification to the 2015 – 2019 SFI Standard was made.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: January 19, 2016				To: January 20, 2016			
Number of SF02's Raised:			Major:		0		Minor:		
Is a follow up visit required:			Yes	No	X	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	No	N/A	X	Date:			
Proceed to/Continue Certification		Yes	X	No	N/A	Date:		1/21/2016	
All NCR's Closed		Yes	No	N/A	X	Date:			
Standard audit conducted against:									
1)	SFI 2015 – 2019			3)					
2)				4)					
Team Leader (1):			Team Members (2, 3, 4...)						
Rick Larkin, CWB			2)						
			3)						
			4)						
			5)						
Scope, CoC method for controlling claims; input material origin, products (all must be verified and appear in the space below)									
Wood Procurement									
Accreditations		ANAB							
Number of Certificates		2							
Proposed Date for Next Audit Event									
Date		January 2017							
Audit Report Distribution									
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Clause	Audit Report
Opening Meeting	Participants: Brian McDonald, Ray Seymour, Brian Reed Discussions: <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: Brian McDonald, Ray Seymour, Brian Reed 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 - 0 ➤ Date for next audit. ➤ Reporting protocol and timing