

Sustainable Forestry Initiative Handbook



Resource and SFI Manager
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SFI 2022 Fiber Sourcing Standard

9/26/2022

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Introduction

Pyramid Mountain Lumber, Inc. (PML) supports the SFI 2022 Fiber Sourcing Standard and the intent of that standard in managing sustainable forests which make vital contributions to society by providing economic, environmental and social benefits indispensable to the quality of life. Our commitment to sustainable forest management means protecting water quality, soil, wildlife and unique resources.

Our SFI program is based on the premise that responsible environmental behavior and sound business decisions can co-exist to the benefit of communities, landowners, manufacturers, owners, customers and the environment, today and for future generations.

PML believes forest landowners have an important stewardship responsibility and a commitment to society, and that they recognize the importance of maintaining viable commercial and family forest systems, and the conservation value of these forest land bases. We support sustainable forestry practices on the forestland we manage. PML supports efforts to protect private property rights, and to help all private landowners managing their forestland sustainably. PML supports the principles outlined in the SFI Fiber Sourcing Standard which includes:

Sustainable Forestry

To practice sustainable forestry to meet the needs of the present while promoting the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing and harvesting of trees for useful products. And for the provision of ecosystem services such as the conservation of soil, air and water quality and quantity, climate change adaptation and mitigation, biological diversity, wildlife and aquatic habitats, recreation, and aesthetics.

Forest Productivity and Health

To provide for regeneration after harvest, maintain the health and productive capacity of the forest land base, and to protect and maintain long-term soil health and productivity. In addition, to protect forests from economically, environmentally undesirable impact of wildfire, pests, diseases, invasive species, and other damaging agents and thus maintain and improve long-term forest health and productivity.

Protection of Water Resources

To protect and maintain water quality and quantity of water bodies and riparian areas and to conform with forestry best management practices to protect water quality, to meet the needs of both human communities and ecological systems.

Protection of Biological Diversity

To manage forests in ways that protect and promote biological diversity, including animal and plant species, wildlife habitats, and ecologically and culturally important species, threatened or endangered species (i.e., Forest with Exceptional Conservation Values) and native forest cover types at multiple scales.

Aesthetics and Recreation

Manage the visual impacts of forest operations, and to provide recreational opportunities for the

public.

Protection of Special Sites

To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.

Legal Compliance

To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.

Research

To support advances in sustainable forest management through forestry research, science and technology.

Training and Education

Improve the practice of sustainable forestry through training and education *programs*.

Community Involvement and Social Responsibility, and respect for Indigenous Rights

To broaden the practice of *sustainable forestry on all lands* through community involvement, socially responsible practices, and through recognition and respect of Indigenous Peoples rights and traditional forest related knowledge.

Transparency

To broaden the understanding of forest certification to the Fiber Sourcing Standard by documenting certification audits and making the findings publicly available.

Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to sustainable forestry.

Responsible Fiber Sourcing

To use and promote sustainable forestry across a diversity of ownership and management types in the United States and Canada that is both scientifically credible and socially, environmentally, and economically responsible and to avoid sourcing from controversial sources both domestically and internationally.

Objectives List of Indicators

Objective 1: Biodiversity in Fiber Sourcing

- 1.1.1 Program to Address Promotion of Biodiversity
- 1.2.1 Conduct assessment of Forests with Exceptional Conservation Values and make summary available to wood producers.
- 1.2.2 Program to Address Forests with Exceptional Conservation Values for all harvest operations through fiber sourcing activities.
- 1.2.3 Conduct and incorporate the results of a Forest with Exceptional Conservation Value Assessment to promote conservation of Forest with Exceptional Conservation Value for purchased stumpage.

Objective 2: Adherence to Best Management Practices

- 2.1.1 Written Agreements Requiring BMP's
- 2.1.2 Adverse Weather Program
- 2.1.3 Define Fiber Sourcing Policies
- 2.2.1 Verifiable Monitoring System
- 2.2.2 Document Findings & Improve

Objective 3: Use of Qualified Resource, Qualified Logging Professionals & SFI Certified Logging Companies

- 3.1.1 Program to Promote Use of Qualified Loggers
- 3.2.1 List of Qualified Loggers
- 3.2.2 Written Agreements for Qualified Logging / Resource Professionals that have completed training programs.

Objective 4: Legal and Regulatory Compliance

- 4.1.1 Access to Laws & Regulations
- 4.1.2 System to Achieve Compliance
- 4.1.3 Our Commitment to Legal Compliance through available regulatory action information.
- 4.2.1 Written Policy, PML Handbook

Objective 5: Forestry Research, Science and Technology

- 5.1.1 Support of Research
- 5.1.2 Ensure Knowledge Gained through research is shared
- 5.2.1 SIC Involvement for Scientific Advancement
- 5.3.1 Regional climate model monitoring on long-term forest health, productivity and economic viability (where available)
- 5.3.2 Knowledgeable About Climate Change on Wildlife, Habitat, Biodiversity

Objective 6: Training and Education

- 6.1.1 Written Statement of Commitment to SFI
- 6.1.2 Assignment of Roles & Responsibility
- 6.1.3 Staff Education & Training
- 6.1.4 Contractor Education & Training
- 6.2.1 Participate in Support of SIC to foster improved Qualified Logging Professional
- 6.2.2 SIC Training Involvement & Continuing Education Collaboration

Objective 7: Community Involvement and Landowner Outreach

- 7.1.1 Financial and Other Support for SIC
- 7.1.2 Support, Education & Landowner Outreach Information
- 7.1.3 Support Incentive Programs for Conservation
- 7.1.4 Regional Planning Knowledge & Use in Conservation Planning
- 7.1.5 Forest Management Certification Programs for Landowners
- 7.2.1 Educational Opportunities Promoting Sustainable Forestry
- 7.3.1 Support of SIC in Address Nonconformance
- 7.3.2 Process to Receive & Respond to Public Inquiries

Objective 8: Public Land Management Responsibilities

- 8.1.1 Involvement in Public Land Planning & Management Activities
- 8.1.2 Appropriate Contact and Collaboration Over Forest Management Issues

Objective 9: Communication and Public Reporting

- 9.1.1 Summary Audit Report
- 9.2.1 Response to SFI Annual Progress Report
- 9.2.2 Record Keeping for Annual Report Surveys
- 9.2.3 Maintain Copies of Past Reports to Track Progress

Objective 10: Management Review and Continual Improvement

- 10.1.1 System for Effective Review of Program Procedures
- 10.1.2 System for Collecting, Reviewing, Reporting info to Management
- 10.1.3 Annual Review of Progress & Determine Changes & Improvement

Objective 11: Avoid Controversial Sources

- 11.1.1 Create Due Diligence System to Address Likelihood of Controversial Sourcing of Fiber
- 11.2.1 Conduct Risk Assessment by Implementation of Due Diligence System
- 11.3.1 Program to Address Substantiated Concerns
- 11.3.2 Update Risk Assessments to Reflect Substantiated Concerns
- 11.4.1 Where High Risk Exists, Program to Mitigate Risk and Isolate Emerging Issues
- 11.5.1 Where 11.4.1 measures are ineffective, Process to Avoid Controversial Sourcing

Objectives for Sustainable Forestry

PML is a manufacturing facility only and is procuring wood from suppliers throughout Montana. The SFI Fiber Sourcing Standard Objectives 1-11 are required to meet conformance with SFI 2022 Fiber Sourcing Standards.

A summary of the Objectives covered in this Handbook include:

Objective 1. Biodiversity in Fiber Sourcing

To address the practice of sustainable forestry by conserving biological diversity.

Objective 2. Adherence to Best Management Practices

To broaden the practice of sustainable forestry through best management practices to protect water quality.

Objective 3. Use of Qualified Resource and Qualified Logging Professionals

To encourage forest landowners to utilize the services of qualified logging professionals and qualified resource professionals.

Objective 4. Legal and Regulatory Compliance

To comply with applicable federal, provincial, state and local laws and regulations.

Objective 5. Forestry Research, Science, and Technology

To invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.

Objective 6. Training and Education

To improve the implementation of sustainable forestry practices through appropriate training and education programs.

Objective 7. Community Involvement and Landowner Outreach

To broaden the practice of sustainable forestry through public outreach, education and involvement and to support the efforts of SFI Implementation Committees.

Objective 8: Public Land Management Responsibilities

To participate and implement sustainable forest management on public lands.

Objective 9. Communications and Public Reporting

To increase transparency and to annually report progress on conformance with the SFI Fiber Sourcing Standard.

Objective 10. Management Review and Continual Improvement

To promote continual improvement in the practice of *sustainable forestry*, by conducting a management review and monitoring performance.

Objective 11. Avoid Controversial Sources

To manage the risk of sourcing fiber from controversial sources.

SFI 2022 Standard Objectives 1-11 for Fiber Sourcing

Objective 1. Biodiversity in Fiber Sourcing.

To address the practice of sustainable forestry by conserving biological diversity.

Performance Measure 1.1. Promotion and conservation of biological diversity.

Indicator	Evidence
<p>1. SFI-certified organizations shall address conservation of biodiversity, individually and/or through cooperative efforts involving SFI Implementation Committees, through a program that includes one or more of the following:</p> <ul style="list-style-type: none"> a. Promotion of biological diversity concepts utilizing information from organization such as World Resources Institute, The Nature Conservancy, NatureServe, Conservation International, State Wildlife Action Plans, State Forest Action Plans and assessments; b. Conducting local and regional level landscape assessments; c. Involvement with local or regional conservation efforts; d. Use of relevant information on biological diversity from credible sources (such as those noted above) in approved training and education programs; or e. Other credible approaches 	<ul style="list-style-type: none"> -Species Snapshot-PDF Field Guide for Areas of Interest (1/29/15 e-mail) [a] -Land Restoration Approaches (5/20/15 e-mail) [a] -Follow-up to Landscape Assessment Approaches Peer Learning (6/1/15 e-mail) [a] -MFRC May 2013 Restoring Forest Lands Booklet [a] -State Forest Action Plan (2020) [a] -State Wildlife Action Plan (2015) [a] -State Wildlife Action Plan Addendum (2020) [a] -BSLRP Communication Plan [b,c] -BCSP Steering Committee Meeting Notes [c] -Biodiversity Brochure [c] -Landowner Mailing Packet [c] -Owner’s Letter -Species of Concern Pamphlet <p>Involvement with:</p> <ul style="list-style-type: none"> -The Nature Conservancy [d] -Blackfoot Challenge [d] -MFRC [d] -MFC [d] -MFCN [d] -BCSP/ BCSA – Blackfoot Clearwater Stewardship Act – Introduction into Congress [d] -IFRP/MFCN Joint Conference on Infrastructure 2022
<p>2. Program to address Forests with Exceptional Conservation Value in harvests of purchased stumpage.</p>	<p>-PML Policy on FECV</p>

Performance Measure 1.2. Promotion and conservation of Forests with Exceptional Conservation Value.

Indicator	Evidence
<p>1. SFI-Certified organizations shall conduct an assessment, individually and/or through cooperative efforts involving SICs, of Forests with Exceptional Conservation Value (FECV), defined as critically imperiled and imperiled species and ecological communities, within their wood and fiber sourcing area(s) and make the summary of the assessment available to wood producers.</p>	<ul style="list-style-type: none"> -PML Policy on FECV -PML Policy on Addressing Special Sites -Forests for Watersheds and Wildlife: Species and Communities of Concern in Montana Pamphlet -SIC Assessment (June 2022) <ul style="list-style-type: none"> -4/13/22 Email on Western State SIC Collaboration -4/29/22 Email on SFI Virtual Workshop on Biodiversity in Fiber Sourcing -3/18/22 SIC Playbook on Biodiversity in Fiber Sourcing -6/22/22 MFC Meeting Notes assessing FECV -Habitat Management Guide Example for Oregon Klamath Mountains Region. -5/20/22 Email on Swan Valley Connections Life in the Land site and podcast.

Indicator	Evidence
	<ul style="list-style-type: none"> -PML Gatelog Inspection Form -PML Stumpage Inspection Form Collaboration with: <ul style="list-style-type: none"> - Montana Forest Council - Montana Forest Collaboration Network
2. Program to address Forests with Exceptional Conservation Value (critically imperiled and imperiled species and ecological communities) for all harvest operations through fiber sourcing activities such as: <ol style="list-style-type: none"> a) Use of qualified logging professionals, certified logging companies, and qualified resource professionals; or b) Training program for qualified logging professionals on how to recognize and protect FECV; or c) Through in-the-forest verification by certified logging companies; or d) Forest landowner outreach; or e) SIC involvement in the assessment of FECV, and development of recommendations for conservation. 	<ul style="list-style-type: none"> -PML Policy on FECV -PML Policy on Qualified Logger Program -Logger Training & Calendar -Regional FECV training (Natural Heritage) -PML Gatelog Inspection Form -PML Stumpage Inspection Form -Landowner Mailing Packet -Annual Landowner/Logger Meeting -Montana Forest Council (SIC) Meeting Minutes -SIC / SFI Meetings on Biodiversity and FECV -Fran Cafferata Draft FECV Approach for States in Northwest
3. SFI-certified organizations shall conduct and incorporate the results of a FECV (critically imperiled and imperiled species and ecological communities) assessment to promote consideration of FECV for purchased stumpage.	<ul style="list-style-type: none"> -Results presented in #2 above. -PML Policy on FECV -Process is evolving through Montana SIC

Objective 2. Adherence to Best Management Practices.

To broaden the practice of *sustainable forestry* through the use of *best management practices* to protect water quality.

Performance Measure 2.1. SFI-certified organizations shall clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.

Indicator	Evidence
1. Use of written agreements for the purchase of raw material sourced directly from the forest is required and must include provisions requiring the use of best management practices.	<ul style="list-style-type: none"> -PML Contracts & Addendums -PML Master Logging Agreement -PML Master Log Purchase Agreement -PML Log Purchase and Timber Purchase Agreements
2. Program to address adverse weather	<ul style="list-style-type: none"> -PML Adverse Weather Policy -Annual Volume by Month Graph
3. SFI-certified organizations shall clearly define their fiber sourcing policies in writing and make them available to wood producers.	<ul style="list-style-type: none"> -PML Procurement Policies for Gatelogs -PML Procurement Policies for Stumpage -Landowner Mailing Packet -PML Information Packet -PML Contractual Language & Terms

Performance Measure 2.2. SFI-certified organizations shall, individually or through cooperative efforts monitor the use of best management practices relative to scale.

Indicator	Evidence
1. A <i>verifiable monitoring system</i> to: a. confirm that harvests of purchased stumpage comply with best practices b. monitor the use of <i>best management practices</i> by <i>wood producers</i> supplying the <i>SFI-certified organization</i> ; and c. evaluate the use of <i>best management practices</i> across the <i>wood and fiber supply area</i> .	-Implement BMP inspection forms and summarize results - PML Gatelog Inspection Form - PML Stumpage Inspection Form - State BMP Audit Results 2018 -State BMP Audit Results 2022 (preliminary results) -Other BMP compliance comparisons - PML BMP/SMZ Performance Analysis 2022 - PML Contractual Language & Terms
2. Use of information from the <i>verifiable monitoring system</i> to maintain rates of conformance to <i>best management practices</i> and to identify areas for improved performance.	- PML Procurement Policies for Gatelogs - PML Procurement Policies for Stumpage - PML BMP/SMZ Performance Analysis 2022 - Annual VMS *PML percent of Trained Fiber Sourcing Professionals - PML Gatelog Inspection Form - PML Stumpage Inspection Form - State BMP Audit Results 2018 - State BMP Audit Results 2022 (preliminary results) *High Risk Sites and Areas for Improvement - Landowner Mailing Packet

Objective 3. Use of Qualified Resource, Qualified Logging Professionals and Certified Logging Companies.

To promote and utilize qualified logging professionals, qualified resource professionals and certified logging companies.

Performance Measure 3.1. SFI-certified organizations shall promote the use of qualified logging professionals, qualified resource professionals and/or certified logging companies to improve sustainable forestry through their relationships with wood producers and landowners.

Indicator	Evidence
1. Program to promote the use of qualified logging professionals, qualified resource professionals and/or certified logging companies where available.	- PML Program to Promote the Use of Qualified Logging and Resource Professionals - PML Procurement Policies for Gatelogs - PML Procurement Policies for Stumpage - PML Due Diligence Risk Management Program to Avoid Controversial Sourcing. - MLA Standards for ALP Accreditation - MLA web site info for up-to-date info on classes - Training Calendar

Performance Measure 3.2. SFI-certified organizations, through their relationships with wood producers and landowners, shall maximize the delivery of raw materials from qualified logging professionals and/or certified logging companies.

Indicator	Evidence
1. List of qualified logging professionals and/or certified logging companies maintained by an SFI-certified organization, state or provincial agency, loggers' association or other organization.	- MLA list of qualified logging professionals - Association of Consulting Foresters - SAF Certified Foresters - Annual Supplier Letter -Logger Safety and OSHA Inspection

<p>2. SFI-certified organizations shall have written agreements for the use of qualified logging professionals or wood producers that have completed training programs and are recognized as qualified logging professionals and/or certified logging companies.</p>	<p>-PML Procurement Policies for Gatelogs -PML Procurement Policies for Stumpage -MLA ALP Pamphlet -MLA ALP Criteria -SIC MOU for SFI Logger Training</p>
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Objective 4. Legal and Regulatory Compliance.

To comply with applicable laws and regulations including international, federal, provincial, state and local.

Performance Measure 4.1. SFI-certified organizations shall comply with all applicable federal provincial, state, and local forestry and related environmental laws and regulations.

Indicator	Evidence
<p>1. Access to relevant laws and regulations in appropriate locations.</p>	<p>-Landowner Mailing Packet - (Montana SMZ Rules) -PML website -PML Due Diligence Risk Management Program to Avoid Controversial Sourcing. -PML Contractor Insurance Tracker</p>
<p>2. System to achieve compliance with applicable international, federal, provincial, state or local laws and regulations.</p>	<p>-PML Gatelog Inspection Form -PML Stumpage Inspection Form -PML BMP/SMZ Performance Analysis 2021 -PML Fiber Sourcing and BMP Monitoring Procedures -PML Internal Audit Procedures -PML Program to address FECV -PML Program to address Fuel, Oil Spills and HazWaste -PML Process for Addressing Special Sites -PML Due Diligence Risk Management Program to Avoid Controversial Sourcing. -PML Procurement Policies for Gatelogs -PML Procurement Policies for Stumpage -Completed Inspection Records in SFI Analytics File (specifically BMP/SMZ Compliance) -Landowner Mailing Packet -DNRC Slash Reduction and HRA Form -PML Procurement Policies for Gatelogs -PML Procurement Policies for Stumpage -Climate File</p>
<p>3. Demonstration of commitment to legal compliance through <i>available regulatory action information</i>.</p>	<p>-Owner’s Letter - Completed Inspection Records in SFI Analytics File -PML Procurement Policies for Gatelogs -PML Procurement Policies for Stumpage -HRA Form -Completed HRA’s (See Forester’s Files) -Montana Forest Council -Minutes include DNRC HRA & SMZ Violations report -PML Employee Handbook -DNRC definition of Log Yard HRA responsibilities</p>

Performance Measure 4.2. SFI-certified organizations shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which the SFI-certified organization operates.

Indicator	Evidence
<p>1. Written <i>policy</i> demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, gender equality, diversity inclusion, anti-discrimination and anti-harassment measures, workers’ compensation, indigenous peoples’ rights, workers’ and communities’ right to know, prevailing wages, workers’ right to organize, and occupational health and safety which meet the spirit and intent of International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work (1998).</p>	<p>-Owner’s Letter -PML Employee Handbook -This Instruction: Current PML SFI Handbook</p> <p>-ILO compliance & Legal Disputes -Record of grievances or lawsuits – None to Report -Annual Grievance Letter from PML HR</p>

Objective 5. Forestry Research, Science, and Technology.

To invest in research, science, and technology, upon which sustainable forest management decisions are based.

Performance Measure 5.1. SFI-certified organizations shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners provide in-kind support or funding for forest research to improve forest health, productivity, and sustainable management of forest resources, and the environmental benefits and performance of forest products.

Indicator	Evidence
<p>1. Financial or in-kind support of research, collaboratives, or knowledge transfer to address key themes of relevance in the region of operations as defined by SFI-certified organizations local stakeholders, communities and/or Indigenous Peoples. Examples could include, but are not limited to, the following topics:</p> <ul style="list-style-type: none"> a. Climate Change adaptation and mitigation b. Water quality and quantity c. Biodiversity, Forests with Exception Conservation Value, and species maintenance and recovery d. Landscape ecology – e. Indigenous traditional ecological knowledge f. Ecosystem services or non-timber forest products g. Community engagement h. Forest health and productivity i. Support for Forest Inventory Analysis (FIA) j. SFI sponsored conservation research, k. The role of forests in the bioeconomy, and/or l. Similar Themes, which build a broader understanding of the benefits and effects of sustainable forest management or sustainable supply chain. 	<p>-Climate File [a thru d, f thru j, l] -Blackfoot Soil Health Working Group (6/28/22) [a,b,c,d,f,h,] -PML Stewardship Fund Endowment for Natural Resource Students at Salish-Kootenai College SIC BROCHURES -Inside Forests: Biodiversity Guide [a,c,g] -Inside Forests: Bat Biology [a,c,g] -Inside Forests: Bird Habitat [a,c,g] -Inside Forests: Protecting Special Sites [a,c,d,g,h] -Montana Forest Council-SIC Committee Involvement [a thru l] -Forest Landowners Conference (4/19/10) [a,d,g,h] -MFC/SIC Meeting Minutes [a thru l] -Biomass and extraction cost (5/26/09 e mail) [h,k] -UM log prices for landowners [k] -G-7 Old growth policy (3/13/09 e mail) [a,d,g,h] -U of ID WGA Forest Health Advisory Committee (2/18/10) -BBER Research request on Log Hauling Cost (9/30/10) [k] -NARA – Northwest Advanced Renewable Alliance [a thru d, f through l,] -BDO Zone Presentation [g,l] -Forest Products Retention Roundtable (2015-2017) [a,c,d,f thru h, k,l] -Forest Products Retention Roundtable (2022) [a thru l]</p>

Indicator	Evidence
	<ul style="list-style-type: none"> -SAF Position Statement and Response to Federal Requests (2021) [a,c,d,h,k] -Mid-Swan [a thru h,k] -Bitterroot Front [a thru h, k] -Girard Grove [a, c thru h, k] -Green Et AL 1994 errata 2011 [a,d,g,h]
2. Ensure that knowledge gained through research is shared, to the extent possible, to positively influence sustainable forest management.	<ul style="list-style-type: none"> -Brochures -Publications -Periodical Articles -Research Interviews/ Class Presentations -Landowner Outreach -Landowner Mailing Packet -BBER Log and Harvest Cost Reports

Performance Measure 5.2. *SFI-certified organizations shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners develop, contribute to, or use national, state, provincial or regional analyses in support of their sustainable forestry programs.*

Indicator	Evidence
<p>1. Participation, individually and/or through cooperative efforts involving <i>SFI Implementation Committees</i> and/or associations at the national, state, provincial or regional level, in the development of information such as:</p> <ul style="list-style-type: none"> a. regeneration assessments; b. <i>growth and drain</i> assessments; c. <i>best management practices</i> implementation and conformance; d. <i>biodiversity conservation</i> information for family forest owners; and e. social, cultural or economic benefit assessments. 	<ul style="list-style-type: none"> -Bi-Annual MT audit report [c thru e] -State BMP Audit Results 2022 (preliminary results) [c thru e] -BBER Log market reports [e] -MFCN Annual Report [a,c thru e] -Restoring MT National Forest Lands [a thru e] -MFRC Principles [c thru e] -MT Watershed Coordination Council [b,d] -Blackfoot Challenge- Annual Report [d,e] -NARA – Northwest Advanced Renewable Alliance [a thru e] -Research Interviews/ Class Presentations [a thru e] -Montana Forest Products Industry and Timber Harvest Report 2018 [e] -Forest Management Capacity in the Southwest Crown of Continent [a thru e] -Set Aside and Local Benefit Policy [c thru e]

Performance Measure 5.3. *SFI-certified organizations shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners broaden the awareness of climate change impacts on forests, wildlife and biological diversity.*

Indicator	Evidence
<ul style="list-style-type: none"> 1. Where available, monitor information generated from regional climate models on long-term forest health, productivity and economic viability. 2. Drought management plan activity. 	<ul style="list-style-type: none"> -Climate File -Montana Drought Management Plan Advisory Committee
2. SFI-certified organizations are knowledgeable about climate change impacts on wildlife, wildlife habitats and conservation of biological diversity through international, national, regional or local programs.	<ul style="list-style-type: none"> -Insect impact due to forest – Steve Cook -MFRC Climate Appendix -National Science Foundation Research (5/9/22) -Montana Forest Landowner Tax Advisory Committee

Objective 6. Training and Education.

To improve the implementation of sustainable forestry practices through appropriate training and education programs.

Performance Measure 6.1. SFI-certified organizations shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2022 Fiber Sourcing Standard.

Indicator	Evidence
1. Written statement of commitment to the SFI 2022 Fiber Sourcing Standard communicated throughout the organization, particularly to facility and woodland managers, fiber sourcing staff and field foresters.	<ul style="list-style-type: none"> -Owner's Letter -Landowner Outreach -Landowner Mailing Packet -Correspondence File – Stakeholder Communications -County Commissioners - LEEDS -Newsletter File -Print Media Article (Digitally kept) -FSC audits – Roseburg, Pella, PCA
2. Assignment and understanding of roles and responsibilities for achieving <i>SFI 2022 Fiber Sourcing Standard objectives</i> .	<ul style="list-style-type: none"> -PML Organizational Chart
3. Staff education and training sufficient to their roles and responsibilities.	<ul style="list-style-type: none"> -PML staff training documentation, date, and attendance -Training designed to meet SFI Fiber Sourcing standards (BMP's, T & E, aesthetics, roads, etc)
4. Contractor education and training sufficient to their roles and responsibilities.	<ul style="list-style-type: none"> -Contractors MLA / SIC Training Currency Reqmt -Training Calendar -MLA ALP List and Training Lists -Annual meeting -Completed Inspection Records in SFI Analytics File -BMP Audit Participation / Results -SFI Audit Participation

Performance Measure 6.2. *SFI-certified organizations* shall work individually and/or with *SFI Implementation Committees*, logging or *forestry* associations, or appropriate agencies or others in the *forestry* community to foster improvement in the professionalism of *wood producers* specific to qualified logging professionals.

Indicator	Evidence
<p>1. Participation in or support of SFI Implementation Committees to establish criteria and identify delivery mechanisms for wood producers' core training courses that allow individuals to attain qualified logging professional status. These criteria must address at least the following:</p> <p>a. awareness of sustainable forestry principles and the SFI's work;</p> <p>b. best management practices, including streamside management and road construction, maintenance and retirement;</p> <p>c. awareness of responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act, Forests with Exceptional Conservation Value (critically imperiled and imperiled species and ecological communities), and other measures to</p>	<ul style="list-style-type: none"> - Participation and agendas of the SIC - Landowner Mailing Packet with BMP/SMZ guides - US Endangered Species Act (Forests with Exceptional Conservation Value) - Montana Natural Heritage Program - OSHA presentation at Loggers' Meeting 5/4/10 - MFRC/MFCN - MLA and SFI Training Attendance and Facilitation [a thru f] -Participation in University of Iowa research on Safety [d,e] -Intermountain Loggers Conference [a thru f] -ALP Steering committee to address complaints (moved from 6.2.2) [b thru f] -OSHA Laws and Regulations found online -State BMP Audit Results 2022 -Annual SFI Progress Reports

Indicator	Evidence
<p>protect biodiversity and wildlife habitat;</p> <p>d. logging safety;</p> <p>e. U.S. Occupational Safety and Health Administration (OSHA) and Canadian Centre for Occupational Health and Safety (COHS) regulations, wage and hour rules, and other provincial, state and local employment laws;</p> <p>f. other topics identified by SFI-certified organizations and/or SFI Implementation Committees that improve their responsibilities in meeting the SFI 2022 Standards.</p>	
<p>2. Participation in or support of SFI Implementation Committees to establish criteria and identify delivery mechanisms for wood producers continuing education training courses that shall be taken by qualified logging professionals at least once every two years to maintain their status. The continuing education training course(s) shall address one or more of the following topics:</p> <p>a. awareness of sustainable forestry principles and the SFI's work;</p> <p>b. best management practices, including streamside management and road construction, maintenance and retirements;</p> <p>c. reforestation, invasive species management, forest resource conservation, aesthetics and special sites;</p> <p>d. awareness of rare forested natural communities as identified by provincial or state agencies, or by credible organizations such as NatureServe or The Nature Conservancy;</p> <p>e. transportation issues;</p> <p>f. business management;</p> <p>g. public policy and outreach;</p> <p>h. awareness of emerging technologies</p> <p>i. logging safety, or</p> <p>j. other topics identified by the SFI-certified organization and/or SFI Implementation Committees that improve their responsibilities in meeting the SFI 2022 Standards.</p>	<p>-SIC & MLA intro workshops [a thru i]</p> <p>-Regular training curriculum [a thru c, h thru i]</p> <p>-PML Procurement Policies for Gatelogs</p> <p>-PML Procurement Policies for Stumpage</p> <p>-SFI Annual Progress Reports [a thru d,g thru j]</p> <p>-Landowner Outreach and Landowner Mailing Packet [a thru d, g, i, j]</p> <p>-PML Logger Training Calendar [a thru j]</p> <p>-MLA Online Training [b, e, h, i]</p> <p>-MLA ALP Training Lists [a thru j]</p> <p>-MLA Website Accredited Logging Professionals [b,g,j]</p> <p>-MLA Safety Workshop - 4/20/22 [i]</p> <p>-Gatelog and Stumpage Inspection Records [a thru e,i,j]</p> <p>-SIC / Montana Heritage FECV identification and training development collaboration. [a thru d, j]</p>

Objective 7. Community Involvement and Landowner Outreach/

To broaden the practice of sustainable forestry through public outreach, education, and involvement and to support the efforts of SFI Implementation Committees.

Performance Measure 7.1. SFI-certified organizations shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, Indigenous Peoples and governments, community groups, sporting organizations, labor, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.

Note: See Indigenous Peoples File in Drawer #1.

Indicator	Evidence
1. Support, including financial, for efforts of SFI Implementation Committees.	<ul style="list-style-type: none"> -Participation in the SIC -Collaboration with stakeholder conservation groups -Maintained Minutes -SFI Dues & Fees
2. Support individually and/or through collaborative efforts involving SFI Implementation Committees, education and outreach to forest landowners describing the importance of and providing implementation guidance on: <ul style="list-style-type: none"> a. best management practices; b. reforestation and afforestation; c. visual quality management; d. conservation objectives such as critical wildlife habitat elements, biodiversity, threatened and endangered species, and Forests with Exceptional Conservation Value; e. management of harvest residue (e.g. slash, limbs, tops) considers economic, social, environmental factors (e.g. organic and nutrient value to future forests) and other utilization needs; f. control of invasive species; g. characteristics of special sites; h. reduction of wildfire risk; i. use of qualified logging professionals, qualified resource professionals and/or certified logging companies; j. awareness of SFI, and k. reporting of inconsistent practices. 	<ul style="list-style-type: none"> -PML Procurement Policies for Gatelogs -PML Procurement Policies for Stumpage -HRA Agreements-Slash Hazard Laws -Landowner Mailing Packet -Noxious weed handout and Invasive animals [a,e,f] - BMP / SMZ [a] - Reforestation Info [b] - Afforestation Info [b] - Visual Quality Info [c] - Endangered Plant Info [a,b,d,f,j] - Forests with Exceptional Conservation Value Info [a,d,f,g,i, j,k] - Threatened Species Info [a,d,g,j,k] - Biodiversity Info [a,d,j] - PML Contact Info [k] - Informative web sites. [a,i,k] - Description of special sites. Location of some known sites in MT [g] -Maintenance of a small lending library on PML site for interested parties. [a thru h] -BDO Zone [i] -Newsletter File [j] -Published media articles (2021) [j] -Process for inconsistent practice reporting. SIC/MLA [k] -Montana Forest Action Council [h] -Life in the Landscape Film [a thru j]
3. Participation in efforts to support or promote conservation of managed forests through voluntary market-based incentive programs such as current-use taxation programs, Forest Legacy Program or conservation easements, federal, state or provincial cost share program to take into account the results of these efforts in planning.	<ul style="list-style-type: none"> -Crown of the Continent -Blackfoot-Clearwater Stewardship Project. - Published Letters of Support -Blackfoot Swan Landscape Restoration Plan -The Nature Conservancy -MFRC/ MFCN -Forest Land Taxation Advisory Committee
4. SFI-certified organizations are knowledgeable about	-Involvement with the state or USFS on regional planning:

Indicator	Evidence
credible regional conservation planning and priority-setting efforts that include a broad range of stakeholders and have a program to take into account the results of these efforts in planning.	<ul style="list-style-type: none"> -Clearwater-Blackfoot Stewardship Project -MFRC/ MFCN -Montana Forest Products Industry and Timber Harvest Report 2018 [e] -Blackfoot Challenge Board – Todd -Whitefish Range Collaborative
5. SFI-certified organizations with fiber sourcing programs, either individually or collaboratively with SFI Implementation Committees, encourage forest landowners to participate in forest management certification programs.	<ul style="list-style-type: none"> -Landowner Mailing Packet -Tree Farm Certification Program Encouragement -PML Foresters dually Qualified Tree Farm Inspectors

Performance Measure 7.2. SFI-certified organizations shall individually or through cooperative efforts involving SFI Implementation Committee(s) support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.

Indicator	Evidence
<p>1. Periodic educational opportunities for the public promoting <i>sustainable forestry</i>, such as:</p> <ul style="list-style-type: none"> a. field tours, seminars, websites, webinars or workshops; b. educational trips; c. self-guided forest management trails; d. published articles, educational pamphlets or newsletters; or e. support for national, state, provincial, and local <i>forestry</i> organizations and soil and water <i>conservation</i> districts, and f. engaging and supporting teachers and/or students through initiatives such as Project Learning Tree. 	<ul style="list-style-type: none"> a. Document field tours and educational projects PML. b. Tree farm participation, SFI audit sites with loggers and landowners. -Swan Ecosystem HS talk [a] -Mill tours [a, b] -Boy Scout Charter 12/31/09 [a,b] -Steve Johnson, owner, was a Cub Master -Radio program participation 2/24/11 [d] -Academic Presentations and Interviews [a,b] -PML Newsletters [d] -Seth Diamond Trail (Brochure) [b,c] -SAF membership [e] -MFCN/MWCC collaboration with conservation districts. [e] -MACO Member of MFCN advisory council [e] -SFI Audit site-visits with Loggers and Landowners [a,b] -Project Learning Tree report– Cindy Peterson [f] (ICW MFC Meetings)

Performance Measure 7.3. SFI-certified organizations shall individually and/or through cooperative efforts involving SFI Implementation Committees establish, at the state, provincial, or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other SFI-certified organizations regarding practices that appear inconsistent with the SFI standards principles and objectives.

Indicator	Evidence
1. Support for <i>SFI Implementation Committees</i> (e.g. toll-free numbers and other efforts) to address concerns about apparent nonconformance.	<ul style="list-style-type: none"> -Toll free number provided by the SIC for reporting inconsistent practices. - Landowner Mailing Packet
2. Process to receive and respond to public inquiries. <i>SFI Implementation Committees</i> shall submit data annually to SFI Inc. regarding concerns received and responses.	<ul style="list-style-type: none"> -Toll free number provided by the SIC for reporting inconsistent practices. -SIC handles this through the committee -DNRC report on HRA takeovers and SMZ violations at MFC meetings

Objective 8: Public Land Management Responsibilities.

To participate and implement sustainable forest management on *public lands*.

Performance Measure 8.1. SFI-certified organizations with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.

Indicator	Evidence
1. Involvement in <i>public land</i> planning and management activities with appropriate governmental entities and the public.	<ul style="list-style-type: none"> -Forest Stewardship Contracts 9/24/14 -National Stewardship Award 1/11/13 -SW Crown of the Continent -Blackfoot Challenge -Roundtable discussions, BLM Award, Flathead Forest Plan -SAF Position on Federal Land Transfer -Letters on scoping – Scott K.
2. Appropriate contact with local stakeholders over forest management issues through state, provincial, federal or independent collaboration.	<ul style="list-style-type: none"> -Crown of the Continent -MFRC/MFCN, -Forest Planning Rules Round Table -Blackfoot Clearwater Stewardship Pilot-Gordy -BCSA Introduced into Congress by Senator Tester February 2017 -April 2022 Region 1 Roundtable on wildfire risk -IFRP/MFCN Joint conference on infrastructure bill - Montana Forest Action Council

Objective 9. Communications and Public Reporting.

To increase transparency and to annually report progress on conformance with the SFI Fiber Sourcing Standard.

Performance Measure 9.1. An SFI-certified organization shall provide a summary audit report, prepared by the certification body, to SFI Inc. after the successful completion of a certification, recertification or surveillance audit to the SFI 2022 Fiber Sourcing Standard.

Indicator	Evidence
<p>1. The summary audit report submitted by the SFI-certified organization (one copy must be in English), shall include, at a minimum,</p> <ul style="list-style-type: none"> a. a description of the audit process, <i>objectives</i> and scope; b. a description of substitute <i>indicators</i>, if any, used in the audit and a rationale for each; c. the name of SFI-certified organization that was audited, including its SFI representative; d. a general description of the Certified organization’s forestland, fiber procurement and/or manufacturing operations included in the audit; e. a summary of the <i>Certified organization’s assessment for Forests with Exceptional Conservation Values within its wood and fiber supply area</i>; f. the name of the <i>certification body</i> and <i>lead auditor</i> (names of the <i>audit team</i> members, including <i>technical experts</i> may be included at the discretion of the <i>audit team</i> and <i>SFI-certified organization</i>); g. the dates the certification was conducted and completed; h. a summary of the findings, including general descriptions of evidence of conformity and any nonconformities and corrective action plans to address them, opportunities for improvement, and exceptional practices; and i. the certification decision. 	<ul style="list-style-type: none"> -Audit Summary Reports [a thru i] -SFI Certification [i]

The summary audit report will be posted on the SFI Inc. website (<https://www.sfidatabase.org>) for public review.

Performance Measure 9.2. SFI-certified organizations shall report annually to SFI Inc. on their conformance with the SFI 2022 Fiber Sourcing Standard.

Indicator	Evidence
1. Prompt response to the SFI annual progress report survey.	-Dated email response of submission acceptance
2. Record keeping for all the categories of information needed for SFI annual progress reports surveys.	-Annual VMS
3. Maintenance of copies of past reports to document progress and improvements to demonstrate conformance to the <i>SFI 2022 Fiber Sourcing Standard</i> .	- SFI Annual Progress Reports - SFI- PML Audit Records

Objective 10. Management Review and Continual Improvement.

To promote continual improvement in the practice of sustainable forestry, by conducting a management review and monitoring performance.

Performance Measure 10.1. SFI-certified organizations shall establish a management review system to examine findings and progress in implementing the SFI 2022 Fiber Sourcing Standards, to make appropriate improvements in programs, and to inform their employees of changes.

Indicator	Evidence
1. System to review commitments, <i>programs</i> and procedures to evaluate effectiveness.	- PML Policies - Landowner Mailing Packet -Inspection % of qualified wood producers internal audit results -Continuous Improvement Program
2. System for collecting, reviewing, and reporting information to management regarding progress in achieving <i>SFI 2022 Fiber Sourcing Standard objectives and performance measures</i> .	-Outlined in the Management Review Process. - YTD summary of BMP compliance -Management Review Meeting Minutes
3. Annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the <i>SFI 2022 Fiber Sourcing Standard</i> .	-Management Review Process with review of Continuous Improvement Program status. -Routine routing sheets on emergent SFI matters -Meeting minutes

Objective 11. Avoidance of Controversial Sources

To manage risk of sourcing fiber from controversial sources.

Performance Measure 11.1. The SFI-certified organization shall have a process to access and collect information regarding the sources of its procured fiber.

Indicator	Evidence
<p>1. The SFI-certified organization shall collect information on the source of the fiber, through a due diligence system to address the likelihood of sourcing from controversial sources. This includes:</p> <ul style="list-style-type: none"> a. Identification of tree species, or list of tree species potentially included, by their common name and/or their scientific name where applicable. b. Country and region of harvest of the fiber. 	<p>-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging</p> <p>-No PML owned lands. Sourcing reviewed by trained Forestry [a,b]</p> <p>-PML Gatelog Inspection Form [a,b]</p> <p>-PML Stumpage Inspection Form [a,b]</p> <p>-Limited contract species and default rates with no values assigned for controversial species. [a]</p> <p>-Historical knowledge of harvest area of Idaho and Montana [b]</p> <p>-Hazard Reduction Agreements requirements, Agency and private contracts, individual LPA's [b]</p> <p>-Vast acreages in Montana with conservation easements on private lands State of Montana Geodata bases (Zach list source)? [b]</p>
<p>2. The SFI-certified organization can consider fiber low risk and exempt from further due diligence when:</p> <ul style="list-style-type: none"> a. Procured from a supplier with a valid SFI Section 2 (SFI Forest Management Standard) certificate, or other acceptable forest management standards, that clearly indicates that the source is within the scope of the certification; or b. Procured from a supplier with a valid SFI Section 3 (SFI Fiber Sourcing Standard) certificate that clearly indicates that the source is within the scope of the certification and/or due diligence system; or c. Procured from a supplier with a valid SFI Section 4 (SFI Chain-of-Custody Standard) or other credible chain-of-custody standard certificate and/or due diligence system; or d. Procured from a supplier with a valid SFI Section 5 (SFI Certified Sourcing Standard) certificate that clearly indicates that the source is within the scope of the certification and/or due diligence system; or e. Sourced from recycled forest-based products 	<p>-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging</p> <p>-ATFS certified Lands [a]</p> <p>-Log Deliveries from IFG, Weyerhaeuser [b]</p> <p>-PML Procurement Policies for Gatelogs[a,b]</p> <p>-PML Procurement Policies for Stumpage[a,b]</p>

Performance Measure 11.2. The SFI-certified organization shall individually and/or through cooperative efforts involving SFI Implementation Committee(s) have a process to conduct a risk assessment.

Indicator	Evidence
1. The SFI-certified organization shall develop	-PML Policy on Due Diligence Risk Management

Indicator	Evidence
and implement a due diligence system (DDS) to manage the risk of sourcing fiber from controversial sources in accordance with the requirements of this standard.	Program to Avoid Controversial Sources and Illegal Logging -PML Procurement Policies for Gatelogs -PML Procurement Policies for Stumpage - Climate File (WWF report – Global concerns) -PML procurement limited to U.S. states of Montana and Idaho only. No Canadian log procurement. -SIC Statements - PML Gatelog Inspection Form - PML Stumpage Inspection Form
2. The DDS risk assessment shall classify material into low- and high- risk categories.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging -SIC Assessment
3. The risk assessment shall be carried out at the regional level unless risk is consistent at the national level.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging
4. The SFI-certified organization shall review, and if necessary, revise its risk rating on at least an annual basis.	-Management Review Meeting Agenda Item -Revision Date of PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging
5. The SFI-certified organization shall conduct a risk assessment before the first time of delivery for each new region of supply.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging historically fiber sourcing region of Idaho and Montana -PML has not identified any new sourcing regions

Performance Measure 11.3. The SFI-certified organization shall have a process to assess substantiated concerns.

Indicator	Evidence
1. The SFI-certified organization shall have a program to assess any substantiated concern. A substantiated concern is information supported by proof or evidence, indicating that fiber originates from controversial sources. Substantiated concerns can be concerns by third parties, as well as concerns of the SFI-certified organization itself.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging N/A - No observed occurrences
2. The SFI-certified organization shall update its risk assessment to reflect substantiated concerns associated with a region of origin identified through internal data or public data.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging N/A - No observed occurrences.

Performance Measure 11.4. The SFI-certified organization shall have a process to mitigate the risk of sourcing controversial fiber from high-risk areas.

Indicator	Evidence
1. Where the risk assessment determines high risk, the SFI-certified organization shall implement a program to mitigate such risk and require a signed contract and/or self-declaration that the supplied does not originate from controversial sources.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging N/A – No High-Risk Areas
2. For each supply source where the risk is high, the	-PML Policy on Due Diligence Risk Management

Indicator	Evidence
risk assessment shall also identify the specific verifiable controls that the supplier has in place to substantially reduce the risk of sourcing fiber from controversial sources.	Program to Avoid Controversial Sources and Illegal Logging N/A - No observed occurrences.
3. Where an SFI-certified organization receives fiber, and then learns the fiber is from controversial sources, if possible, the fiber shall be segregated and prevented from entering the supply chain. If fiber has already entered the supply chain and cannot be segregated additional corrective measures shall be implemented to avoid future controversial sources. If subsequent verification demonstrates that the risk of this fiber originating from controversial sources is low, the fiber can re-enter the supply chain.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging -Sampling and log receipts limited to previously authorized species only.
4. The SFI-certified organization shall identify the verifiable measures to be implemented across the full supply chain for each source of supply identified as high risk to ensure that the supply is not from controversial sources which will include: <ol style="list-style-type: none"> a. Assessing the operating effectiveness of verifiable measures, through field-based verification. b. For direct sources, include field and document verification of controversial sources risk factors back to the forest units from which fiber is sourced. c. For indirect sources, include site and document verification of suppliers (such as lumber suppliers, chip suppliers and wood yards) to establish the absence of controversial sources risk factors in their inputs and sample-based field verification of their supply sources back to the forest units from which they source fiber. 	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging -PML Gatelog Inspection Form -PML Stumpage Inspection Form On the ground Gatelog/Stumpage Inspection Forms with prescribed mitigation measures for concerns.
5. Where sampling is conducted as part of the verification program, the sampling program should be risk based to draw valid conclusions across all fiber inputs.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging -Sampling and log receipts limited to previously authorized species only.

Performance Measure 11.5. The SFI-certified organization shall have a process to avoid controversial sources.

Indicator	Evidence
1. Where the verifiable measures in Performance Measure 11.4 are not considered to be effective in reducing the risk of receiving fiber from controversial sources to low, fiber from these sources shall be avoided.	-PML Policy on Due Diligence Risk Management Program to Avoid Controversial Sources and Illegal Logging

Appendices

PML SFI Policies and Procedures

Pyramid Mountain Lumber, Inc.
Internal Audit Procedures
For
SFI Certified Sourcing Label

Pyramid Mountain Lumber, Inc. is a board mill and random length dimension sawmill producing a wide variety of products shipped via truck to various locations across the United States. The SFI Certified Sourcing Label is visibly displayed on some of our bunks of lumber which are paper wrapped for shipment. High quality paper wrap is ordered once or twice each year to be produced according to Pyramid's specifications for company logo and the SFI Certified Sourcing Label which has been approved for that use each year by SFI, Inc.. The SFI Certified Sourcing Label confirms that 100% of the lumber produced avoided controversial or illegal sources.

Pyramid's Risk Management Program is designed to minimize any risk of any exposure to acquisition of raw material delivered which originated through illegal actions, locations compromising Threatened and Endangered Species (as discussed in the requirements of CITES, Montana Natural Heritage Program and other sources), or from areas without effective social laws to protect workers and Indigenous Peoples rights. Our contracts/agreements, and internal inspection forms for Gate Logs and Stumpage Sales provide regular confirmation of compliance.

The internal process for the use of the SFI Certified Sourcing Label consists of examining each roll of paper wrap delivered to ensure compliance with our order to display the correct logo requested and the approved SFI Certified Sourcing Label. Each roll delivered will be inspected for quality and accuracy and a picture taken for our internal records. Random pictures may be taken at the wrapping station during the course of paper wrap use. Any errors or inconsistencies will be corrected as soon as practicable and included in our Continuous Improvement plan.

January 1, 2015

Pyramid Mountain Lumber, Inc Program to Address Adverse Weather Conditions

PML employs wood producers that have completed BMP training and are qualified logging contractors as identified by the Montana Logging Association (MLA) and the Montana SFI Implementation Committee (SIC). PML also encourages untrained contractors to complete the required BMP training offered by the MLA and SIC.

PML's Program for addressing adverse weather conditions includes the protection of soil and water resources and strives to reduce the movement of sediment into waterways. Contractors are expected to stop or curtail operations when wet weather conditions are damaging roads and/or causing rutting, soil compaction, or the movement of sediment into streams. PML monitors contractors' compliance with the adverse weather conditions Program via PML's Gatewood and Stumpage Inspection forms.

Revised January 1, 2016

Pyramid Mountain Lumber, Inc.
Program for Addressing Forests with Exceptional Conservation Value

PML includes documentation in their outreach packet for landowners and wood suppliers that addresses forests with exceptional conservation value (FECV). PML's outreach packet includes information describing the conservation of critical wildlife habitat, threatened and endangered species, and the importance of biodiversity across the landscape. Agency Landowners have specialists on staff and resources to address forests with exceptional conservation values and presence/absence of G1, G2 and S1, S2 species. Documented occurrences or critical habitat identification results in mitigation measures through their contracts, sale layout and operating restrictions. Private forest landowners with a Timber purchase Agreement with PML receive our Landowner Outreach Packet.

PML is collaborating with the Montana Forest Council which is the SFI State Implementation Committee (SIC) and the Montana Natural Heritage Program to develop an FECV Risk Assessment template for G1, G2 species across Montana. A regionalized approach is being discussed to facilitate logger and landowner training opportunities supported by brochures or regional information on G1, G2 species with potential mitigation measures based upon species habitat.

It is envisioned that this approach will evolve over time as Nature Serve and Montana Natural Heritage Programs work to finalize the National Vegetation Classification System over the next couple of years which will determine the future of global risks.

As this new information becomes available on FECV, PML will include this information in their packets and include websites, professional journals and documents for the landowners to utilize.

Pyramid Mountain Lumber, Inc.
Program to address Fuel, Oil Spills and Hazardous Waste

PML oil spill and hazardous waste program requires that the contractors on stumpage sales report all spills to the administration forester and are required to have spill kits on site and available for clean-up. The contractor shall be trained in fuel spill clean-up and reporting requirements of each state.

Revised January 1, 2015

Pyramid Mountain Lumber, Inc.
Process for Communication with Affected Indigenous Peoples

PML occasionally engages with Native American tribes within our wood sourcing area. We maintain an “Indigenous Peoples” file documenting our interactions and communications with tribal representatives regarding PML forest management activities.

PML monitors Native American events, studies, and other related information within our wood supply area and communicates the location of culturally, historically, and ecologically significant or other special sites to our forest management staff. PML makes every effort to address and preserve these areas when found near our forest management activities.

Pyramid Mountain Lumber, Inc.
Management Review Process (MRP)

Time Line:

Annual

MRP Team:

SFI Manager, SFI Coordinator, Resource Foresters, Log Accountant, Controller, Owners

Agenda:

The Gatewood and Stumpage Inspection Forms will be used to outline SFI, BMP, and environmental performance activities. The results of the inspections will be summarized for the annual Management Review Meeting. Review PML Internal Audit Procedures for Labeling.

The meeting will review the SFI Program monitoring process and provide a plan for revisions that will improve the PML SFI Program and meet the requirements of the SFI 2022 Standard.

The meeting will be documented with an agenda, attendance roster, and meeting minutes that identify pertinent discussions and revisions made to the PML SFI Program.

Pyramid Mountain Lumber, Inc. Process for Addressing Special Sites

Pyramid Mountain Lumber, Inc. recognizes the importance of identifying and addressing “special sites”. Our forest management practice is to recognize the AFF definition of “special sites”.

Special Sites – *Those areas offering unique historical, archeological, cultural, geological, biological or ecological value. Special Sites include:*

- *Historical, archaeological, cultural and ceremonial sites or features of importance to the forest owner;*
- *Sites of importance to wildlife such as rookeries, refuges, fish spawning grounds, vernal ponds and shelters of hibernating animals;*
- *Unique ecological communities like relic old-growth, springs, glades, savannas, fens and bogs; and*
- *Geological features such as terminal moraines, cliffs and caves.*

The forest owner and PML will develop a plan after making a reasonable effort to locate and gather information that would fall under the “special sites” definition. Sources of this information may include, but not be limited to, county, state and federal agencies, university and extension programs and local knowledge.

Special sites will be identified and managed in accordance with the forest owner’s objectives to preserve the unique features of the site, while working with the size and scale of the property.

http://www.forestfoundation.org/pdfs/Final_Standards.pdf

Revised January 1, 2015

Process for Compiling Annual Progress Report to SFI, Inc.

Pyramid Mountain Lumber, Inc. annual report is a compilation of quarterly data provided by SFI Controller and SFI Coordinators based upon information, contracts and reference material provided by Resource Manager and SFI Manager. Report is filed electronically, as requested by SFI, Inc. and due March 15 of each year.

Information important to compliance with SFI 2022 Fiber Sourcing Standards under the Sustainable Forestry Initiative, i.e. meetings, training, educational materials, tours, presentations, etc. is forwarded to SFI Coordinator for filing in appropriate Objective in our SFI file cabinet. Including ongoing participation in Collaborative and Public/Private Partnerships advancing active forest management in a manner which sustains the benefits, goods and services provided by our forested landscapes for future generations.

Pyramid Mountain Lumber's approach to SFI implementation is through continuous improvement and adaptive management. Processes, procedures and formats are modified or changed based upon feedback for consistency, clarity and efficiency. Above all is providing loggers, landowners, and the public with information that is timely, relevant, and developed or presented by credible sources.

Revised September 16, 2022

Pyramid Mountain Lumber, Inc.
Procurement Process
for
Gate Logs

Log Purchase Agreements (Gate Logs)

1. Agreement (by MBF or Ton) is made with logger, landowner, consultant, mill or agency to purchase logs in deck or delivered by species product.
2. Source of timber is identified (private, State, BLM, USFS or Tribal) and tracked by County and Sale Name.
3. On private land a copy of the State's Fire Hazard Reduction Agreement and Notice of Forest Practices is obtained and attached to file copy with the exception of Master Hazard Reduction Agreement holders (usually mills or large landowners/operators). Assigned HRA number is tracked for reporting volume and establishing bond withholding rate paid to State by Pyramid (\$7.15/MBF for sawlogs).
4. Log scaling frequency mutually agreed upon with Seller.
5. Original and one copy of either an annual Master Log Purchase Agreement and Addendum or Log Purchase Agreement is executed and seller provides current W-9 prior to delivery.
6. Log accountant maintains records and inputs/manages information in an automated wood payment system which includes identification of contract holder, sale name, HRA number, pay rates by species code, scale frequency and termination date.
7. Minor volumes or intermittent deliveries are 100% scaled loads. Gate logs originating from private forest lands are issued Pyramid Truck Tickets Identifying date, sale name, contractor and trucker. Gate logs originating from US Forest Service, BLM, DNRC, FWP, BIA or other landowners with their own tickets have access to the automated weight scale system with those ticket numbers and identifying information.
8. All loads are weighed. Log trucks arrive on the State Certified scale. To get a weight pull on the scale and use the automated weigh scale on the keypad inside, choose product "logs" enter truck #, select the logger from the list, select sale name, supplier ticket # if applicable, if you have a pup hit "pup" and will tell you to pull forward, once pulled forward hit "weigh in" and weigh pup. Touch screen will indicate deck or scale load and will print you a ticket if it is a scale load. Tell the log yard via radio if it is a deck or scale load. To get an empty weight on the way out repeat the process above using "weigh out". The system will print you 3 copies of your ticket, 1 to leave for Pyramid in the box, 1 to leave for Forest Service in the box if applicable, and 1 for yourself. Scale loads are spread for scaling by Pyramid's Certified Scaler, annually reviewed by Idaho Board of Scaling Practices.
9. Logs scaled using Scribner Decimal C (actual taper rule) into handheld computers by species product/log quality and downloaded into wood payment system by Log Accountant. Net volume/MBF by species product is determined and values by Log Purchase Agreement calculate payment.

Agreements by ton are paid based on net weight. HRA deposit withheld from payment and paid to State.

10. Logs delivered the 1st through the 15th of each month are paid on the 25th and logs delivered the 16th through end of the month are paid on the 10th of the following month. All payment records are retained for 5 years.
11. Pyramid Mountain Lumber, Inc. is an SFI, Inc. member and supports the sustainable forestry practices of this Standard and gives preference to qualified logging professionals, Tree Farm Program members and other qualified sources.

Pyramid Mountain Lumber, Inc.
Procurement Process
for
Stumpage Contracts

Timber Purchase Agreements and Timber Sale Contracts (Stumpage)

1. Agreement is made or contract awarded by logger, landowner, consultant, mill or agency for standing timber available to harvest by stumpage rate (MBF or Ton) and all contractual requirements, including scaling frequency. Private Forestland ownership confirmed through current W-9, County tax records.
2. Source of timber is identified (private, State, BLM, USFS or Tribal) and tracked by County and Sale Name.
3. Timber Purchase Agreements on private forestland and assigned a Master Hazard Reduction Agreement number by the State under our Master and bonded according to outstanding, unabated slash. The attachment also serves as Notice of Forest Practices. Pyramid acquires any other additional permits. Agency Timber Sale Contracts and Stewardship contracts provide necessary permits through their own process and Pyramid provides appropriate payment bond/performance bond or cash bond.
4. Pyramid executes Master Agreements with qualified logging, road, slash/chipping contractors to perform terms and conditions agreed to, including full compliance with “Montana Forestry Best Management Practices” (BMP’s). Pyramid’s certified forestry professionals administer contract and negotiate terms with contractor through our Addendums to Master.
5. Timber Purchase Agreement and Timber Sale Contract information summarized on Wood Purchase Data Sheet and provided to Log Accountant for input and recordkeeping. Master Agreements, copies of Workers’ Compensation or Exemption, and Insurance (i.e. Commercial General Liability, Logger’s Broad Form B, Auto) and Addendums provided to Log Accountant for input/recordkeeping. Addendum Information is entered into an automated wood payment system which is connected to an automated weight scale system. Identification of contract holder, contractor, sale name, frequency and termination date are entered prior to delivery.
6. Timber Sale Contracts usually require the Seller’s own ticket that the seller’s issue themselves. Timber purchase agreements on private land are issued Pyramid truck tickets with identifying date, sale name, contractor and trucker.

7. All loads are weighed. Log trucks arrive on the State Certified scale. To get a weight pull on the scale and use the automated weigh scale on the keypad inside, choose product “logs” enter truck #, select the logger from the list, select sale name, supplier ticket # if applicable, if you have a pup hit “pup” and will tell you to pull forward, once pulled forward hit “weigh in” and weigh pup. Touch screen will indicate deck or scale load and will print you a ticket if it is a scale load. Tell the log yard via radio if it is a deck or scale load. To get an empty weight on the way out repeat the process above using “weigh out”. The system will print you 3 copies of your ticket, 1 to leave for Pyramid in the box, 1 to leave for Forest Service in the box if applicable, and 1 for yourself. Scale loads are spread for scaling by Pyramid’s Certified Scaler, annually reviewed by Idaho Board of Scaling Practices.
8. Logs scaled using Scribner Decimal C (Actual taper rules) into handheld computers by species product/log quality and downloaded into wood payment system by Log Accountant. Net volume/MBF by species product is determined and values by Timber Purchase Agreement and Timber Sale Contracts calculate payment to landowner. Agreements and Contracts by ton are paid based on net weight as are most Contract Loggers and Log Haulers under contract with Pyramid.
9. Logs delivered the 1st through the 15th of each month are paid on the 25th and logs delivered the 16th through end of the month are paid on the 10th of the following month. All payment records are retained for 5 years.
10. Timber Sale Contracts with Agencies are paid stumpage as billed by their Log Accountant.
11. Pyramid Mountain Lumber, Inc. is an SFI, Inc. member and supports the sustainable forestry practices of this Standard and requires the use of qualified professionals on stumpage sales.

Pyramid Mountain Lumber, Inc.
Program to Promote the Use of
Qualified Logging and Resource Professionals

PML employs qualified logging contractors and qualified resource professionals as identified by the Montana Logging Association (MLA) and the Montana SFI Implementation Committee (SIC). Qualified contractors and qualified professionals are required to maintain a minimum number of continuing education credits and be included on the MLA's current list of trained professionals.

PML will encourage all contractors to complete required training and apply the principles of sustainable forest management in their operations.

PML will promote the use of logging professionals.

Pyramid Mountain Lumber, Inc.
Due Diligence
Risk Management Program
To
Avoid Controversial Sources and Illegal Logging

Pyramid Mountain Lumber, Inc. operates a single sawmill in Seeley Lake, Montana and does not source any raw materials from outside the United States borders where effective social laws may not exist. The State of Montana and the U.S. have numerous social laws in place to protect worker rights, indigenous people's rights, harassment, wages and right to organize. PML complies with all applicable local, state and federal laws.

Pyramid sources raw materials from Montana and Idaho which do not have significant globally controversial ecological forest types and therefore, are considered low risk. Climate change however, is of global importance and minimizing risk is accomplished through active forest management to maintain healthy, sustainable forests which are more resilient to changing climatic conditions.

Pyramid's procurement process is designed to minimize the risk of illegal logging through written agreements and written contracts which contain language ensuring ownership and right to harvest timber. Montana DNRC Hazard Reduction Agreements and Notice of Forest Practices is the initial proof of ownership and right to harvest. Additionally, our Log Purchase Agreements contain language to warranty title and/or legal right to harvest and sell the timber included in the agreement. Pyramid's harvesting of Controlled Stumpage is conducted by Qualified Logging Professionals fully trained in safety and Montana's Streamside Management Zone Law and Forestry Best Management Practices.

Pyramid provides log sellers and landowners with information on threatened and endangered species through our Landowner Packets and with presentations at our Annual Contract Logger/Landowner/Log Seller meeting. Providing landowners and loggers with links to credible sources of educational information on occupancy, management practices, and suitable habitat for T&E species and species of concern parallels Montana's very effective Voluntary Forestry Best Management Practices approach to protecting soil and water resources. Also, state and federal contracts for controlled stumpage contain language specific to T&E species occurrence and appropriate actions.

Pyramid does not export or import logs or lumber from controlled stumpage or from logs processed in our facility. We do not own any fee timberland, so all other state, federal, tribal and private forest landowners provide the source of our raw materials through stumpage or delivered logs. Pyramid has never engaged in biotechnology or related research.

Should Pyramid pursue raw materials from other regions beyond Montana and Idaho, our due diligence approach to manage risk and avoid controversial sources will be implemented. State, local, federal and appropriate international laws, rules and regulations pertaining to logging and forest management would be thoroughly reviewed.

In addition, consultation and review through Nature Serve, Natural Heritage Programs and World Wildlife Fund documentation on Forests of Exceptional Conservation Value or risk of deforestation would be analyzed and considered in Pyramid's deliberations on procurement opportunities.

Revised May 9, 2022

PYRAMID MOUNTAIN LUMBER, INC

SFI® 2022 Organizational Chart

SFI Manager:

Gordy Sanders, CF, Resource Manager

Responsibility: SFI Certification and Implementation

SFI Coordinators:

Bryce Smith, SFI Bookkeeper & SFI Coordinator

Scott Kuehn, Resource Forester

Mary Ann Morin, Lumber Sales & Shipping Bookkeeper

Responsibility: Interface with SFI, Inc. and Lumber Customers

Maintain updated SFI Handbook and compiles/identify evidence

Develops and distributes SFI Packets

Update website to include links/information beneficial to the SFI and educational information/events for private forest landowners

SFI Controller:

Wendy Dalrymple: Controller

Christian Cahoon: Log Accountant

Responsibility: Executes all payments to loggers/landowners and maintains all records and enforces standards associated with such transactions consistent with PML Handbook

Resource Foresters:

Doug Wasileski, CF

Scott Kuehn, CF, ALP

Zoe Leake

Responsibility: Communicates SFI information – either verbally or as handouts to loggers/landowners while maintaining standards in PML Handbook during implementation of all procurement functions

SFI® Organizational Flow Chart

