



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

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Company Name	Pyramid Mountain Lumber Company, Inc (Pyramid)
Contact Person	Gordy Sanders – Resource Manager
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PQC Code	E01E

Contract Number:	US 1515663	Certification Audit:		Re-Certification Audit:		X	Surveillance: (Indicate visit # or Pre-Assessment)	
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Audit Summary

Introduction

This report summarizes the results of the first re-certification audit of the SFI Certified Sourcing program conducted on Pyramid Mountain Lumber. Jim Colla, Bureau Veritas Certification Lead Auditor, with assistance from Robert Carlson, auditor, conducted the audit on October 17, 2013.

Audit Scope, Objectives and Process

The scope of the audit is “Fiber Sourcing system in Idaho and Montana”. The goal is recertification to the SFI 2010-2014 Standard, Objectives 8-20. 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 July 2012 version of the Bureau Veritas Certification SFI Auditor Handbook. Field notes and an SFI indicator checklist were completed and contain specific information and audit notes.

The audit began at the Pyramid mill office in Seeley Lake, MT with an opening meeting. The objectives for the recertification audit were outlined and the audit process for collecting evidence and making audit findings was explained. Process determination findings of non-conformance, opportunities for improvement, and notable practices were explained. Confidentiality was assured. The audit plan was discussed and agreed to, and the time and date of the closing meeting was confirmed. There were no substitutions or modifications of SFI indicators.

Audit Plan

After discussing the goals and objectives of the audit, the audit plan and logistics was reviewed and the sites confirmed to conduct the field portion of the audit in a timely manner. Sourcing sites covered during the recertification audit were selected based on a rotating schedule developed by Bureau Veritas Certification at the time of certification. A total of six operating locations were visited.

Audit Schedule

Date: Thursday, October 17

Time	Activity	BVC Rep.	Company Rep.
8:00 AM	Opening Meeting	Colla	Gordy Sanders & designated PML staff
8:30 AM	Office review and documentation of all indicators	Colla	same

		in Objectives 8-20; staff interviews		
8:30	AM	Concurrent field session – site visits	Carlson	Same
3:30	PM	Audit team review and finalize findings		
4:00	PM	Closing meeting	Colla	same

Company Information

Pyramid Mountain Lumber Company is a family owned board and random length dimension lumber mill that has been in operation for over 60 years. Pyramid has been represented on the Montana SFI State Implementation Committee for years and became a 3rd party SFI Certified participant in January, 2011. Pyramid does not own any forest land; suppliers include private landowners in the region; and federal, state and tribal wood via competitive bid process. Pyramid maintains a robust outreach program and is very active in the local community.

Audit Results

The audit consisted of document and record reviews and interviews. In addition six field sites, four of which were actively being harvested, were visited that represent the spectrum of sourcing activities Pyramid undertakes. Objectives 1-7, 11-13 and 18 are not applicable.

Objective 8, Landowner Outreach: Pyramid has maintained and distributed information concerning Montana BMP's for water quality, SMZ rules, and MT SIC publications to landowners and contractors in the form of a comprehensive packet. They support contractor and landowner educational opportunities on BMP/SMZ topics. Pyramid is active in TF, foresters are trained Tree Farm inspectors, conduct inspections and seek new TF members.

Objective 9, Use of qualified resource and qualified logging professionals: Pyramid continues to maintain, support and implement a program to promote trained professionals. Pyramid tracks the volume of wood provided by trained professionals. Procurement policies address logger training goals and objectives. Pyramid only uses trained logging professionals on purchase contracts and they strongly encourage use of the same on gate wood. Procurement objectives address logger training goals and objectives. The contractors interviewed are Montana Logging Association (MLA) certified. All contractors had required safety equipment and emergency and spill response plans. Contractors and landowners were well versed in sustainable forestry principles.

Objective 10, Ad

Adherence to Best Management Practices: Pyramid Procurement and BMP Monitoring Procedures, Adverse Weather Condition Program, LPAs and Timber Cutting Agreements contain policies, programs and requirements for compliance with BMP/SMZ practices. BMP inspection policies, priorities and sampling intensities are well defined. SLL conducts internal reviews quarterly of BMP and regulatory compliance. MDNRC checks for HRA compliance. Any deficiencies are directly addressed with the supplier.

Objective 14, Legal Compliance: A log purchase contract cannot be issued without an established HRA notification. Pyramid utilizes sites visits and inspection forms per handbook procedures and uses these to document and follow up with non-compliance issues. These visits and forms record compliance levels with laws and regulations. Furthermore, MDNRC monitors inspects for HRA compliance. Pyramid will monitor information from SIC and address inconsistent practices via handbook policies deal with inconsistent practices. Pyramid maintains and implements a Program to Address Fuel, Oil Spills and Hazardous Waste issues to ensure compliance with State and Federal laws. The system is understood by all Pyramid foresters.

Objective 15, Forestry Research: Pyramid PML participates in and supports a myriad of regional research through the SIC and with UM. Additionally, PML cooperates with State and local universities, colleges, schools, extension services and other entities to facilitate regional research by providing access to company facilities (PML owns no land) and programs for research, education and outreach. PML maintains records and documentation of support for regional research and submits details to SFI annually.

Objective 16, Training and Education: The commitment statement is unchanged from the 2010 version. Pyramid has maintained their program to use trained professional as detailed in their handbook. Pyramid supports the Montana Logging Association Accredited Logging Professional program. Pyramid tracks the volume of wood provided by trained professionals. On purchase contracts Pyramid requires a minimum of one crew member who is trained to the ALP level to be on site on a daily basis. Pyramid encourages all other

suppliers to used trained contractors. Pyramid cooperates through the SIC/MLA to ensure contractor training programs are consistent with the goals and needs of the SFI program. Pyramid hosts a contractor meeting in the spring that covers a number of topics and maintains detailed training records on the continuing education and training accomplishments of its staff.

Objective 17, Community Involvement: See notable practices.

Objective 19, Communications and Public reporting: The 2012 Pyramid Audit Report is posted on the SFI Website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit.

Objective 20, Management Review and Continuous Improvement: Management systems are in place to share information at both an operational and policy level among staff to provide interactive feedback. Reviews are conducted annually and are robust.

Findings

Previous non-conformances: None issued.

Non-conformances issued: None issued.

Opportunities for Improvements: None issued

Notable Practices: NP's are practices and actions that are exemplary and indicate an exceptionally strong commitment to SFI principles. One notable practice was identified during the audit:

- *PM 17.1&2- Landowner Outreach.* Due to reliance on federal timber and impact Pyramid has on the local economy they are heavily involved workshops, tours and panels and a number of collaborative efforts. Mill tours for all manner of groups from school children to legislators occur regularly. There are many examples of educational opportunities provided by Pyramid that are documented in SFI related files. Pyramid has supported and contributed to the development of the noted SIC publications. These are well done and written for on-the-ground practical implementation. Pyramid has been a major employer in the local area for years; they often showcase the mill during various tours to demonstrate the importance of sustainable forestry principles for economic, environmental and social benefits. Sustainable forestry has always been a part of the Pyramid culture, their long term committed to sustainable forestry principles is indeed noteworthy.

Logo/label use:

Pyramid uses the logo on lumber wrap. They have also received approval for various off-product uses. Use approvals have been obtained from SFI, Inc. and are on file.

SFI reporting:

The 2012 surveillance audit report for Pyramid is on the SFI website as required.

Conclusions

The closing meeting was held at the Seeley Lake, MT office on October 17, 2016. The findings related to notable practice were reviewed, and the confidentiality of audit results assured. In the opinion of the auditor, Pyramid Mountain Lumber continues to implement an effective SFI program that meets the requirements of the SFI 2010-2014 standard. Recertification is recommended.

Surveillance Audit Schedule

Surveillance audits should be schedule for September or early October for 2014-2015; with a recertification audit in 2016.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):	From: October 17, 2013			To: October 17, 2013		
Number of SF02's Raised:	Major:		0		Minor:	0
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		Date:	N/A	
Proceed to/Continue Certification	Yes	X	No	Date:	October 17, 2013	
All NCR's Cleared	Yes	No		Date:	N/A	
Standard audit conducted against:						
1)	SFIS 2010-2014	3)				
2)		4)				
Team Leader (1):		Team Members (2,3,4...)				
Jim Colla		2) Robert Carlson				
		3)				
Scope of Supply: (scope statement must be verified and appear in the space below)						
Fiber Sourcing system in Idaho and Montana						
Accreditation's	ANAB					
Number of Certificates	1					
Proposed Date for Next Audit Event						
Date	October 2014					
Audit Report Distribution						
Bureau Veritas Certification: Cornelia Holmes-cornelia.holmes@us.bureauveritas.com						
Pyramid Mountain Lumber: Gordon Sanders- gsanders@pyramidlumber.com						

Clause	Audit Report
Opening Meeting	<p>Participants: Loren Rose- Chief Operating Officer; Roger Johnson- President-Owner;</p> <p>Discussions: MaryAnn Morin- Sales; Darlene Troutwine- Payroll Clerk; Steve Johnson- Sales Manager; Doug Wasileski- Resource Forester, Dylan Brown- Resource Forester; Pam Pitman- Bookkeeper/Logging; Mike McGrew- Operations Manager, Gordy Sanders- Resource Manager; Jim Colla and Robert Carlson, auditors.</p> <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	<p>Participants: Same as above</p> <p>Discussions:</p> <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

	<ul style="list-style-type: none">➤ Nonconformance's - 0➤ Date for next audit.➤ Reporting protocol and timing
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