



2018 SFI Public Summary Report

A&A Trading Ltd.

Sustainable Forestry Initiative® (SFI) Fiber Sourcing Standard [2015-2019]

Sustainable Forestry Initiative® (SFI) Forest Management Standard [2015-2019]

Date: August 31, 2018

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a Maintenance Assessment on A&A Trading Ltd.'s (the Company or A&A) Forest Management and Fiber Sourcing activities in coastal British Columbia (BC). The forest management and fiber sourcing activities are managed by the Head Office in Vancouver, BC. The Lead Assessor was James Lucas, EMS (LA). The assessment team included Sean Pledger, PwC Assessor, as well as Bruce Eaket as an observer. The assessment team was accompanied by A&A's SFI Representative, David Marquis, R.P.F.

The primary objective of the assessment was to assess the Company's SFI management system and to evaluate the Company's implementation of the SFI Standard in the field. There have been no changes to the scope of the certification since the last public summary.

Client Profile

A&A is a privately owned family business with over 30 years experience operating in B.C.'s forest industry. Since inception, A&A has focused its attention on building a successful business around the principles of sustainable forest practices, innovation and most importantly, a genuine commitment to the environment. To ensure that sustainable forest management and environmental performance is achieved and the risks from operations to the environment are minimized, A&A has developed and implemented a Sustainable Forest Management Plan (SFMP) and Environmental Management System (EMS) consistent with the International Standard ISO 14001:2015 and the SFI Forest Management Standard (SFIFM 2015-2019). To remain certified, a commitment is required from all levels within the organization, starting with top management through to those implementing the programs on the ground. A copy of A&A's Sustainable Forest Management Policy and Environment Policy is available upon request.

A&A has two volume based, long-term Forest License agreements (A19229 & A80590) on Provincial crown lands. Both licenses are located on the southern coast of British Columbia in the Coast Forest Region. These crown land tenures are managed to the standards as outlined in the Forest Act, the Forest and Range Practices Act, their Regulations and any other Act or Regulation that pertains to public lands and waters. A&A is committed to operating in a manner that at minimum ensures compliance with all laws and regulations and standards.

Forest License A19229 and A80590, located in the Sunshine Coast Timber Supply Area (TSA), have an allowable annual cut (AAC) of 125,966 and 26,700 cubic meters (m3) of wood respectively which is harvested from seven Forest Development Units (FDU's). The FDU's are; East Homathko River, Ramsay Arm, West Redonda Island, Misery Creek, Glacial Creek, Nelson Island and the Sechelt Peninsula.

As required under the Forest Act of British Columbia, the holder of a replaceable forest license agreement must ensure that the volume of timber harvested during a five year cut control period under the agreement is not more than 110% of the total annual allowable cuts authorized in or for the agreement during that five year period.

Indicators

All of the indicators in the SFI Forest Management and Fiber Sourcing Standard were within the scope of the assessment, except for Fiber Sourcing Objectives 11, 12 and 13, since A&A does not source logs from outside of Canada and the U.S. There were no substitute indicators.

Assessment Process

On May 22, 2018, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements at the Head Office in Vancouver, BC. On May 23, 2018, the assessment team conducted field assessments on the Sunshine Coast, BC, visiting 5 separate cut blocks. Of these cut blocks: 3 were maturing plantations where the impacts of silviculture practices were observed; 2 were recent harvests where road construction, harvesting, planting and road and bridge deactivation was observed; and 1 was an active harvest setting where road construction and harvest practices were observed. In total, the audit team spent 1 day at the central office and 1 day on-site for field assessments. The assessment report was dated August 31, 2018.

A&A has a single-site certification for their forest management and fiber sourcing activities. PwC uses an assessment approach where the head office is audited annually, and their forest management and fiber sourcing operations in the field are sampled from population lists provided by the Company and tested for completeness by PwC.

Summary of Conformance, Findings, and Good Management Practices

FOREST MANAGEMENT

SFI FOREST MANAGEMENT		
Objective	Performance Measure	Evidence of Conformity
<i>Objective 1. Forest Management Planning</i>	<i>Performance Measure 1.1 Program Participants shall ensure that forest management plans include long-term harvest levels that are sustainable and consistent with appropriate growth-and-yield modes.</i>	<i>Evidence: Government Policy and A&A tenure documentation</i> Due to the public lands and tenure system, the Province of British Columbia's Ministry of Forests, Lands, Natural Resource Operations and Rural Development (MFLNRORD) is responsible for the development of harvest levels through the Timber Supply Review process and the volume allocation process with each forest license. The MFLNRORD is responsible for completing a periodic (usually every 5 years) full long-term resource (timber supply) analysis of each Timber Supply Area (TSA) including the Sunshine Coast TSA. The MFLNRORD maintains inventory of the forest resources in all areas managed by the Company.

	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 1.2 Program Participants shall not convert one forest cover type to another forest cover type, unless in justified circumstances.</i>	<i>Evidence: Interviews with A&A staff, Forest Stewardship Plans, site plans and field observations</i> The Company does not convert one forest type to another. They manage plantation establishment using approved Forest Stewardship Plan (FSP) stocking standards that include specifications for preferred and acceptable species as per Provincial silvicultural legislation requirements.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 1.3 Program Participants shall not have within the scope of their certification to this SFI 2015-2019 Forest Management Standard, forestlands that have been converted to non-forestland use.</i>	<i>Evidence: Interviews with A&A staff, Forest Stewardship Plans, site plans and field observations</i> The Company does not have forestlands that have been converted into non forestland use within the scope of their certification.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 2. Forest Health and Productivity	<i>Performance Measure 2.1 Program Participants shall promptly reforest after final harvest.</i>	<i>Evidence: 2017 and 2018 Planting summary reports, obligation summary reports and silviculture records, field observations</i> The Company plants all harvests areas within one to two years after harvesting. The planting summary reports show that majority of the harvest areas have been planted within one year of harvest. Following planting, A&A completes regeneration surveys one year after planting in order to ensure all harvested areas are satisfactorily stocked and survival rates are acceptable. The Company generally plants a “mix bag” of tree species that conform with the Site Plan Free Growing Stocking Standards assigned for each Harvested Opening in terms of acceptable species composition and stocking rates.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.2 Program Participants shall minimize chemical use required to achieve management objectives while protecting employees, neighbors, the public and the environment, including wildlife and aquatic habitats.</i>	<i>Evidence: Interviews with A&A staff, review of EMS procedures and A&A policies</i> A&A have not used any chemical in the past year. In the past the company has used Garlon for maple control. The use was limited to hand application and was an exception which allows the company to treat up to 20 ha annually in any given year without a Pest Management Plan (PMP). A&A has chemical use procedures in their EMS program and all use has been in conformance with Provincial regulation and the SFI Standard.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

<p><i>Performance Measure 2.3 Program Participants shall implement forest management practices to protect and maintain forest and soil productivity.</i></p>	<p><i>Evidence: field observations, site plans, Harvest summary 2017 and 2018</i></p> <p>Forest Stewardship Plans have site disturbance limits for permanent and temporary access structures. The Company’s Environmental Management System includes measures to maintain forest and soil productivity. This information is communicated to contractors at pre-work meetings and continually monitored through A&A inspections.</p> <p>Soil samples are taken to determine soil textures and vulnerability to disturbance. Harvest plans specify logging methods, including cable harvesting systems for steep slopes and the use of excavators to forward logs on sensitive lower slope terrain. Road ditches are regularly maintained.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p><i>Performance Measure 2.4 Program Participants shall manage so as to protect forests from damaging agents, such as environmentally or economically undesirable wildfire, pests, diseases, and invasive exotic plants and animals, to maintain and improve long-term forest health, productivity, and economic viability.</i></p>	<p><i>Evidence: Government and A&A policy, Forest Stewardship Plans, field observations, site plans</i></p> <p>The Company conforms to applicable laws, regulations and follows guidelines regarding measures that must be taken to protect forest resources (i.e., Wildfire Act). Landscape level and Site Plans address forest health issues. Monitoring and quantifying pest incidence within reforested stands is performed by forestry professionals. Harvest inspections ensure compliance with fire preparedness expectations. Additionally, the Company works cooperatively with MFLNRORD programs to ensure that forest pests are identified and dealt with in a timely manner.</p> <p>No invasive or exotic animal species are known to occur within the Company’s operating areas. If there is an occurrence the Company will work with the appropriate government agency to address the issue.</p> <p>The company implements a policy of planting immediately within one to two years after harvest in order to improve long-term forest health and productivity within the Company’s tenures.</p> <p>A&A is using several methods to minimize browsing damage; including the use of tubes and non-chemical repellants to protect young seedlings, as well as inclusion of species into the planting mix that are less susceptible to browsing damage such as White Pine. Additionally, the Company is actively working with government’s agencies in an effort to establishing Deer and Elk population numbers that would be less damaging to new plantations.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p><i>Performance Measure 2.5 Program Participants that deploy improved planting stock, including varietal seedlings,</i></p>	<p><i>Evidence: interviews with A&A staff, SPAR records</i></p> <p>The Company uses the government Seed Planning and Registry system (SPAR) to order the most appropriate seed</p>

	<i>shall use best scientific methods.</i>	for each site. The Company is using Class A (improved seed) for all seedlings planted (Fd, Cw, Pw) except <i>Abies amabilis</i> which is Class B seed.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 3. Protection and Maintenance of Water Resources	<i>Performance Measure 3.1 Program Participants shall meet or exceed all applicable federal, provincial, state and local water quality laws, and meet or exceed best management practices developed under Canadian or U.S. Environmental Protection Agency – approved water quality programs.</i>	<i>Evidence: field observations, inspection forms, EMS procedures</i> Procedures are incorporated into the development of site level plans for activities that have the potential to impact the environment. All harvest units reviewed during the assessment included pre-harvest reviews, active harvest inspections and post-harvest closeouts.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 3.2 Program Participants shall implement water, wetland and riparian protection measures based on soil type, terrain, vegetation, ecological function, harvesting system, and state best management practices (BMPs), provincial guidelines and other applicable factors.</i>	<i>Evidence: field observations, inspection forms, EMS procedures</i> The Company complies with applicable laws, regulations and guidelines (where appropriate) regarding management and protection of water bodies and riparian zones. Operational controls, including monitoring, have been implemented through the Environmental Management System to protect the soil and water resources. All operations are inspected to ensure compliance with the legislation and conformance with the Environmental Management System.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 4. Conservation of Biological Diversity	<i>Performance Measure 4.1 Program Participants shall conserve biological diversity.</i>	<i>Evidence: Interviews with staff, field observations, inspection forms, EMS procedures, A&A Strategic Planning Program, GIS and FDU maps, Guidelines for Managing Stand Level Biodiversity, SP's and Pre-work documentation, Higher Level Plans – Sechelt Landscape Use Plan, Sunshine Coast Forest Stewardship Plan</i> A&A is committed to conserving biological diversity by developing and implementing stand and landscape level measures to promote biodiversity across the landscape that contribute to the conservation of forest plants and wildlife species. Conservation efforts are completed at both the landscape and stand level. Landscape biodiversity planning is completed at a strategic level (watershed or larger scale) and is presented spatially as part of A&A's Integrated Resource Management Plans (IRMP's). Key components of landscape biodiversity planning include; designation of "old growth managements areas" (OGMA) and establishment of the non-harvestable land base (NHLB), Ungulate Winter Range (UWR) for wildlife species like Mountain Goat and deer and wildlife habitat areas (WHA) for "threatened & endangered" species.

		<p>Stand level biodiversity is implemented at the block level and prescribed in the Site Plan (SP) document following Forest Stewardship Plan (FSP) results and strategies. The primary function of stand level retention is to provide stand structure and habitats within or adjacent to harvested areas for terrestrial and aquatic species. Methods of implementation include wildlife tree patches (WTP), dispersed individual tree retention and maintenance of on block coarse woody debris. Establishment and criteria for stand level biodiversity placement is guided by A&A's Stand Level Biodiversity Guidelines. A&A stand level biodiversity guidelines (April 2009) are documented. Development and implementation is completed at the cutblock level with detail plans included as part of the Site Plan. Block inspections and annual internal audits confirm conformance to guidelines. During the field audit it was observed that A&A retains a variety of stand level wildlife habitat elements including: snags and live single trees, small brush piles, levels of CWD, any identified wildlife trees, stumps and WTP's across various harvest units.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 4.2 Program Participants shall protect threatened and endangered species, Forests with Exceptional Conservation Values (FECV) and old-growth forests.</i></p>	<p><i>Evidence: Interviews with staff, field observations, inspection forms, EMS procedures, A&A Strategic Planning Program, GIS and FDU maps, Guidelines for Managing Stand Level Biodiversity, SP's and Pre-work documentation, Higher Level Plans – Sechelt Landscape Use Plan, Sunshine Coast Forest Stewardship Plan</i></p> <p>A list of threatened and endangered species (COSEWIC) is maintained and updated annually. There are currently 16 threatened or endangered plant and animal species that occur within the Sunshine Coast District. Threatened and endangered species are protected through a network of spatially identified landscape and stand conservation measures (e.g. OGMA, WHA, wildlife management areas) as well as stand level wildlife tree retention areas (WTP). Field identification cards and procedures for handling the occurrence of threatened and endangered species are also available to employees. Training is provided to Woodlands staff and key contractor employees (e.g. Pre-work meetings) on the identification and protection measures for threatened and endangered species.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 4.3 Program Participants shall manage ecologically important sites in a manner that takes into account their unique qualities.</i></p>	<p><i>Evidence: Interviews with staff, field observations, inspection forms, EMS procedures, A&A Strategic Planning Program, GIS and FDU maps, Guidelines for Managing Stand Level Biodiversity, SP's and Pre-work documentation, Higher Level Plans – Sechelt Landscape Use Plan, Sunshine Coast Forest Stewardship Plan</i></p> <p>A list of threatened and endangered species (COSEWIC) is maintained and updated annually. There are currently 16 threatened or endangered plant and animal species that occur within the Sunshine Coast District. Threatened and</p>

		<p>endangered species are protected through a network of spatially identified landscape and stand conservation measures (e.g. OGMA, WHA, wildlife management areas) as well as stand level wildlife tree retention areas (WTP). Field identification cards and procedures for handling the occurrence of threatened and endangered species are also available to employees. Training is provided to Woodlands staff and key contractor employees (e.g. Pre-work meetings) on the identification and protection measures for threatened and endangered species.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 4.4 Program Participants shall apply knowledge gained through research, science, technology, and field experience to manage wildlife habitat and contribute to the conservation of biological diversity.</i></p>	<p><i>Evidence: Interviews with staff, field observations, inspection forms, EMS procedures, A&A Strategic Planning Program, GIS and FDU maps, Guidelines for Managing Stand Level Biodiversity, SP's and Pre-work documentation, Higher Level Plans – Sechelt Landscape Use Plan, Sunshine Coast Forest Stewardship Plan</i></p> <p>Through the WCSIC, A&A is a funding contributor to the “Global Ranking of Plant Associations in British Columbia and Adjacent Jurisdictions” project, currently being completed by the Conservation Data Center. An inventory of critically imperiled and imperiled species (plant & animal) and plant communities is an on-going project with listings and locations available through the CDC’s Ecosystem Explorer. Inventory information on occurrence of FECV and other biodiversity related data also occurs operationally at the stand level during field work for Site Plan development. If FECV are encountered, A&A will report the occurrence through the CDC. An inventory of the location of Forests with Exceptional Conservation Value (critically imperiled (G1) and imperiled (G2) species and ecological communities) is available through the Conservation Data Center (CDC). The list of G1 & G2 species and ecological community sites occurring in A&A’s Forest License operating area is maintained and updated annually. Currently there are four G1/G2 species that occur in the Sunshine Coast District of which none are located in A&A’s operating areas. If a G1/G2 species or plant community was to occur in A&A’s operating area, conservation and protections measures tools, such as OGMA or WHA could be used to provide protection.</p> <p>A&A has developed a biodiversity monitoring program that measures implementation of both stand and landscape level initiatives that promote the conservation of ecological values within operating areas. The goal of the monitoring plan is to assess whether company initiatives are being met, whether they are effective and how they can be improved upon or changed. Results flowing from monitoring efforts are communicated back to company staff as part of the continual improvement process.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		

Objective 5. Management of Visual Quality and Recreational Benefits	<i>Performance Measure 5.1 Program Participants shall manage the impact of harvesting on visual quality.</i>	<i>Evidence: Interviews with A&A staff. Review of VQO modelling and planning for Sechelt Peninsula units, Ministry polygons for visual management. Field inspections.</i> Scenic areas and visual quality objectives for scenic areas have been established for all operating areas. Prior to harvesting in a scenic area a visual impact assessment will be completed to determine the visual impact and consistency with the visual objective.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.2 Program Participants shall manage the size, shape and placement of clear-cut harvests.</i>	<i>Evidence: Interviews with A&A staff. Field observations. Review of inspection forms, EMS procedures, Strategic Planning Program, GIS and FDU maps, Guidelines for Managing Stand Level Biodiversity, SP's and Pre-work documentation, Higher Level Plans – Sechelt Landscape Use Plan, Sunshine Coast Forest Stewardship Plan</i> In 2017 the average clearcut size was 24.2 ha. Harvest unit size is tracked in A&A's GIS database and generated from the final block boundary captured by GPS traverse.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.3 Program Participants shall adopt a green-up requirement or alternative methods that provide for visual quality.</i>	<i>Evidence: Interviews with A&A staff. Review of Strategic Planning Program, Sunshine Coast TSR V3, GIS and FDU maps, Guidelines for Managing Stand Level Biodiversity, SP's and Pre-work documentation, Higher Level Plans – Sechelt Landscape Use Plan, and Sunshine Coast Forest Stewardship Plan</i> Green-up surveys are completed for harvested blocks, if considered to be in conflict with adjacent planned clear-cut harvest blocks. Blocks are considered to be “greened-up” when they meet the criteria outlined in Indicator 5.3.3.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.4 Program Participants shall support and promote recreational opportunities for the public.</i>	<i>Evidence: Interviews with A&A staff. Review of Strategic Planning Program, Sunshine Coast TSR V3, GIS and FDU maps, Guidelines for Managing Stand Level Biodiversity, SP's and Pre-work documentation, Higher Level Plans – Sechelt Landscape Use Plan, and Sunshine Coast Forest Stewardship Plan</i> A&A is very supportive of local mountain biking and hiking clubs in the Sechelt area. They have a good track record of sponsoring user groups and events, including forestry education initiatives, local recreation users and local sporting groups.
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		
Objective 6. Protection of Special Sites	<i>Performance Measure 6.1 Program Participants shall identify special sites and manage</i>	<i>Evidence: Review of GIS data, site plans, and FSPs</i> Sites of ecological or geological significance (such as rare

	<i>them in a manner appropriate for their unique features.</i>	plants or plant communities, karst formations, etc.) are protected as required through the site plan process. Management strategies are incorporated in to site level plans.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 7. Efficient Use of Fiber Resources	<i>Performance Measure 7.1 Program Participants shall employ appropriate forest harvesting technology and in-woods manufacturing processes and practices to minimize waste and ensure efficient utilization of harvested trees, where consistent with other SFI 2015-2019 Forest Management Standard Objectives.</i>	<i>Evidence: Interviews with A&A staff. Field observations. Review of site plans and company inspection records.</i> Site Plans specify standards for post-harvest conditions. Active harvest and post-harvest inspections confirm these standards are met. Additionally, the Company's ownership structure ensures efficient utilization of low grade material. Log quality programs, waste audits and site inspections ensure target utilization is met.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 8. Recognize and Respect Indigenous Peoples' Rights	<i>Performance Measure 8.1 Program Participants shall recognize and respect Indigenous Peoples' rights.</i>	<i>Evidence: Interviews with A&A staff. Review of Sustainable Forest Management Policy.</i> The company has developed a written policy that acknowledges the rights of Indigenous Peoples.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 8.2 Program Participants with forest management responsibilities on public lands shall confer with affected Indigenous Peoples with respect to sustainable forest management practices.</i>	<i>Evidence: Interviews with A&A staff. Review of government policy and programs.</i> As required by government policy, the Company is actively involved in consultation and discussion with First Nations and Government, The Company has identified the First Nations who have traditional territories that overlap with A&A operating areas. In order to operate on Crown Land the company has to fulfill all regulatory requirements related to First Nations information sharing process. When identified by First Nations through the Information Sharing process, the company is obligated to protect spiritual, historical, or culturally important sites, as well as address the use of non-timber forest products of value to First Nations, and respond to their inquiries and address First Nations concerns.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 8.3 Program Participants are encourage to communicate with and shall respond to local Indigenous Peoples with respect to sustainable forest management practices on their private lands.</i>	N/A - The company does not manage private land within the scope of the SFI Standard.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

Objective 9. Legal and Regulatory Compliance	<i>Performance Measure 9.1 Program Participants shall comply with applicable federal, provincial state and local forestry and related social and environmental laws and regulations.</i>	<i>Evidence: Review of EMS Program, Company Policy, Harvesting and roads Inspection forms, and Compliance records.</i> The Company is also registered to ISO 14001 and their EMS program includes legal and regulatory commitments, procedures to ensure compliance, responsibilities, review and revision. The Company also monitors websites, and changes to relevant laws and regulations. The Planning and Forestry Manager conducts periodic reviews of changes to relevant laws and regulations, and will determine if changes are required to Programs or other EMS documents or procedures to facilitate compliance. Any documentation changes will be made in accordance with document control procedures.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 9.2 Program Participants 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 Program Participant operates.</i>	<i>Evidence: EMS program, Health and Safety Policy, Forest Safety Accord</i> The Company complies with provincial and federal social legislation in Canada. The Company is Safe Certified with the Forest Safety Council of British Columbia.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 10. Forestry Research, Science and Technology	<i>Performance Measure 10.1 Program Participants 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.</i>	<i>Evidence: Interviews with A&A staff, review of A&A Research Program and Community Group Program</i> Forest Health strategies are completed for the Sunshine Coast Timber Supply Areas in-which A&A operates. Wildlife habitat research is being completed for species at risk, such as the Northern Goshawk. A&A contributes annually to multi-stakeholder cooperative between government, industry and academia. Examples include providing funding for the Species at Risk Coordination project and participation in the Northern Goshawk Recovery Team. A&A continues to be involved in government lead landscape level biodiversity planning for all operating areas. If A&A undertakes research to improve planting stock through genetic engineering it will be in adherence with all applicable federal, state and provincial regulations and international protocols.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 10.2 Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees,</i>	<i>Evidence: Interviews with A&A staff, review of A&A Research Program and Community Group Program</i> A&A is an active participant in the regional SFI Implementation Committee, with multiple staff members

	<p><i>associations or other partners – develop or use state, provincial or regional analyses in support of their sustainable forestry programs.</i></p>	<p>attending regular meetings and holding the position of treasurer. Through the SIC A&A participates in the promotion of sustainable forestry programs through community outreach and investments in research projects.</p> <p>Forest Health Strategies are completed for all operating areas. Disturbance & silviculture activities are updated annually through RESULTS, which is a BC government tool to track stand treatments. Vegetation Resources Inventories (VRI's) are maintained through annual RESULTS updates. Terrestrial Ecosystem Mapping (TEM) have completed for all operating areas in the Sunshine Coast TSA. Landscape biodiversity plans have been completed for all operations.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 10.3 Program Participants 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.</i></p>	<p><i>Evidence: Interviews with A&A staff, review of A&A Research Program and Community Group Program</i></p> <p>The State of British Columbia's Forests report is a provincial, sustainable forestry report produced by the FLNRO that provides information about B.C.'s forests in three categories: environmental, economic and social, and governance and support. It contains objective, statistical information in each of these areas, along with the ministry's assessment of what that information tells us about sustainability. A portion of the information used to generate this report comes from data provided by forest license holders across BC, including A&A.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 11. Training and Education</p>	<p><i>Performance Measure 11.1 Program Participants shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Forest Management Standard.</i></p>	<p><i>Evidence: Interviews with A&A foresters, review of training records, Sustainable Forest Management Policy, and A&A Procurement Policy</i></p> <p>All A&A foresters are trained and have a working knowledge of their responsibilities; staff roles and responsibilities are clearly defined.</p> <p>A&A's Sustainable Forest Management Policy and wood Procurement Policy provides evidence of commitment to the SFI 2015-2019 Fiber Sourcing Standard. Staff education and training is periodically reviewed in order to ensure that A&A personnel is competent within their roles and responsibilities. Pre-work information meetings and periodic company inspections are completed to ensure that contractors' education and training is sufficient for their individual roles and responsibilities.</p> <p>Wood Producers that sell wood to A&A are provided with information highlighting training criteria, and are encouraged to become qualified logging professionals.</p>
	<p>No Nonconformities were identified related to this performance measure.</p> <p>One Opportunities for Improvement was identified. While observing an active harvesting operation one machine operator was found to not have their updated SOP book as required by</p>	

	A&A. However it was determined through discussion with the operator that they were aware of the relevant SOP's.	
	<i>Performance Measure 11.2 Program Participants 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.</i>	<i>Evidence: Interviews with A&A foresters, review of WCSIC communication, pre-work documentation and training records.</i> As required by the WCSIC, A&A conducts training programs for staff and contractors, including documented pre-work meetings.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 12. Community Involvement and Landowner Outreach	<i>Performance Measure 12.1 Program Participants 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.</i>	<i>Evidence: Review of WCSIC Wood Producer Information Package, contracts, and communication records.</i> The Company encourages forest landowners to participate in forest management certification programs through the distribution of the WCSIC Wood Producer Information Package, A&A contracts and regular communication. The Company supports National Forest Week, Project Learning Tree and other programs individually as well as through the WCSIC.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 12.2 Program Participants shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.</i>	<i>Evidence: Interviews with A&A foresters, the SFI Annual Report and supporting evidence.</i> The Company supports National Forest Week, Project Learning Tree and other programs individually as well as through the WCSIC. A&A also participates in job fairs and promotes sustainable forestry through school presentations.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 12.3 Program Participants shall establish at the state, provincial or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other Program Participants regarding practices that appear inconsistent with the</i>	<i>Evidence: WCSIC website, A&A EMS program, record of public communications</i> The WCSIC maintains the primary responsibility for receiving SFI program related complaints against program participants in British Columbia and determining if they warrant investigation and ensuring credible response. Additionally, the Company maintains their own records of communications received from the public and other

	<i>SFI 2015-2019 Forest Management Standard principles an objectives.</i>	stakeholders.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 13. Public Land Management Responsibilities	<i>Performance Measure 13.1 Program Participants with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.</i>	<i>Evidence: Review of government policy and programs, stakeholder list, and communication records.</i> The Company maintains a stakeholder list and communicates with all potentially affected stakeholders during the planning and management process. First Nation and other license stakeholders (e.g. ranchers, trappers, and guides) are consulted to discuss the potential impacts of proposed activities.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 14. Communications and Public Reporting	<i>Performance Measure 14.1 A Program Participant 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 2015-2019 Forest Management Standard.</i>	<i>Evidence: SFI Public Summary</i> PwC prepared the 2017 annual public summary report and submitted it to SFI, Inc. It is available on the SFI website.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 14.2 Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Forest Management Standard.</i>	<i>Evidence: A&A 2017 SFI audit report and supporting documentation, communication records with SFI, Inc.</i> A&A's 2017 SFI audit report was submitted to SFI, Inc. by the required deadline. A&A has tailored its various records and database information in order to facilitate collection of the information required for the SFI, Inc. annual report completion.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 15. Management Review and Continual Improvement	<i>Performance Measure 15.1 Program Participants shall establish a management review system to examine findings and progress in implementing the SFI 2015-2019 Forest Management Standard, to make appropriate improvements in programs, and to inform their employees of changes.</i>	<i>Evidence: Reviewed EMS procedures and Management Review Meeting minutes</i> A&A conducts an annual formal management review meeting with senior leadership. The agenda includes a review of all audits, findings and corrective actions. The Company's 2018 management review minutes include a review of their internal audit results, inspection results and any associated SFI objectives, and recommendations for improvements.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

FIBRE SOURCING

SFI FIBRE SOURCING		
Objective	Performance Measure	Evidence of Conformity
Objective 1: Biodiversity in Fiber Sourcing	<i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i>	<p><i>Evidence: Interviews with A&A foresters, Purchase Wood Agreements, A&A (Coastal BC) PEFC Controversial Sources Risk Assessment, and A&A policies and procedures.</i></p> <p>Achieved at a regional scale through landscape unit planning and other conservation processes. A&A is a member of the Western Canada SFI Implementation Committee who promote biological diversity, establish and maintain protocols for addressing diversity practices using latest information from various stakeholders.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 2: Adherence to Best Management Practices	<i>Performance Measure 2.1. Program Participants 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.</i>	<p><i>Evidence: Interviews with A&A foresters, The Purchase Wood Inspection form (Form-1), Harvesting & Roads Inspection form (Form-2), EMS Policies, A&A's Purchase contracts, and A&A's Procurement Policy</i></p> <p>The company is using the Purchase Wood Inspection form (Form-1) and/or the Harvesting & Roads Inspection form (Form-2) to ensure that purchase wood originating from non-certified sources and managed private forest land complies with A&A's procurement program including BMPs compliance. Purchase contracts are required for all purchase logs directly sourced from the forest and include a requirement to follow company BMP's. A&A's Slope Stability Policy outlining adverse weather shutdown conditions is included in the information packages provided to fiber suppliers.</p> <p>A&A's Procurement Policy defines company wood purchase requirements and is included in wood purchase information packages.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.2. Program Participants shall monitor the use of best management practices.</i>	<p><i>Evidence: Interviews with A&A foresters. Inspection records.</i></p> <p>The WCSIC wood purchase monitoring program combined with A&A's wood purchase inspections and internal audit are used to evaluate the effectiveness of BMPs by wood producers across the fiber supply area.</p> <p>The results from field inspections and audit findings are summarized and reviewed annually during the company management review with targets for improvement established in the Wood Procurement and Landowner Program.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 3: Use of Qualified Resource and	<i>Performance Measure 3.1. Program Participants shall encourage landowners to utilize</i>	<i>Evidence: Interviews with A&A foresters and A&A's Procurement Policy.</i>

Qualified Logging Professionals	<i>the services of qualified logging professionals, certified logging professionals (where available), qualified resource professionals and to apply principles of sustainable forest management to their lands.</i>	A&A's Procurement Policy promotes the use of qualified logging and resource professional. The Company maintains a list of Qualified Logging Contractors, and upon request will provide it to land owners and timber suppliers.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 4: Legal and Regulatory Compliance	<i>Performance Measure 4.1. Program Participants shall comply with applicable federal, provincial, state and local forestry and related social and environmental laws and regulations and take steps to avoid illegal logging.</i>	<i>Evidence: Interviews with A&A foresters, A&A's Environmental Management System (EMS), A&A's fiber supply risk assessment matrix, Section 1 Illegally Harvested Wood, and websites used and email updates received by A&A staff</i> A&A has secured online access to the current versions of relevant Provincial and Federal Laws and Regulations. A&A's Environmental Management System (EMS) includes a section (Section 15 - Non-conformance and Corrective and Preventative Action) that is designed to achieve compliance with applicable federal and provincial laws and regulations. A&A tracks non-compliance violations resulting from company or government inspections. If any of the non-compliance violations warrant it, the Company will follow A&A's Incident Reporting WOP-05.1. A&A uses the Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) harvest billing system to ensure that Company's stumpage payments are current. Based on A&A's fiber supply risk assessment matrix, the current risk for purchase of illegal wood is considered negligible.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 4.2. Program Participants shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which they Program Participant operates.</i>	<i>Evidence: field observations, written contracts and compliance records.</i> The Company complies with Provincial and Federal social legislation in Canada.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 5. Forestry Research, Science and Technology	<i>Performance Measure 5.1. Program Participants 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</i>	<i>Evidence: Interviews with A&A staff, review of A&A Research Program and Community Group Program</i> Forest Health strategies are completed for the Sunshine Coast Timber Supply Areas in-which A&A operates. Wildlife habitat research is being completed for species at risk, such as the Northern Goshawk. A&A contributes annually to multi-stakeholder cooperative between government, industry and academia. Examples include providing funding for the Species at Risk Coordination project and participation in the Northern Goshawk Recovery Team. A&A continues to be

	<i>sustainable management of forest resources, and the environmental benefits and performance of forest products.</i>	involved in government lead landscape level biodiversity planning for all operating areas. If A&A undertakes research to improve planting stock through genetic engineering it will be in adherence with all applicable federal, state and provincial regulations and international protocols.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.2. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners develop or use state, provincial or regional analyses in support of their sustainable forestry programs.</i>	<i>Evidence: Interviews with A&A staff, review of A&A Research Program and Community Group Program</i> A&A is an active participant in the regional SFI Implementation Committee, with multiple staff members attending regular meetings and holding the position of treasurer. Through the SIC A&A participates in the promotion of sustainable forestry programs through community outreach and investments in research projects. Forest Health Strategies are completed for all operating areas. Disturbance & silviculture activities are updated annually through RESULTS, which is a BC government tool to track stand treatments. Vegetation Resources Inventories (VRI's) are maintained through annual RESULTS updates. Terrestrial Ecosystem Mapping (TEM) have completed for all operating areas in the Sunshine Coast TSA. Landscape biodiversity plans have been completed for all operations.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.3. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners broaden the awareness of climate change impacts of forests, wildlife and biological diversity.</i>	<i>Evidence: Interviews with A&A staff, review of A&A Research Program and Community Group Program</i> The State of British Columbia's Forests report is a provincial, sustainable forestry report produced by the FLNRO that provides information about B.C.'s forests in three categories: environmental, economic and social, and governance and support. It contains objective, statistical information in each of these areas, along with the ministry's assessment of what that information tells us about sustainability. A portion of the information used to generate this report comes from data provided by forest license holders across BC, including A&A.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 6. Training and Education	<i>Performance Measure 6.1 Program Participants shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: Interviews with A&A foresters, review of training records, Sustainable Forest Management Policy, and A&A Procurement Policy</i> All A&A foresters are trained and have a working knowledge of their responsibilities; staff roles and responsibilities are clearly defined. A&A's Sustainable Forest Management Policy and wood Procurement Policy provides evidence of commitment to the SFI 2015-2019 Fiber Sourcing Standard. Staff education and training is periodically reviewed in order to ensure that A&A personnel is competent within their roles and responsibilities. Pre-work information meetings and periodic company inspections are completed to ensure that contractors' education and training is

		<p>sufficient for their individual roles and responsibilities.</p> <p>Wood Producers that sell wood to A&A are provided with information highlighting training criteria, and are encouraged to become qualified logging professionals.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 6.2</i> <i>Program Participants 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.</i></p>	<p><i>Evidence: Interviews with A&A foresters, review of WCSIC communication, pre-work documentation and training records.</i></p> <p>As required by the WCSIC, A&A conducts training programs for staff and contractors, including documented pre-work meetings.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 7. Community Involvement and Landowner Outreach	<p><i>Performance Measure 7.1.</i> <i>Program Participants 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, labour, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.</i></p>	<p><i>Evidence: Review of WCSIC Wood Producer Information Package, contracts, and communication records.</i></p> <p>The Company encourages forest landowners to participate in forest management certification programs through the distribution of the WCSIC Wood Producer Information Package, A&A contracts and regular communication.</p> <p>The Company supports National Forest Week, Project Learning Tree and other programs individually as well as through the WCSIC.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 7.2.</i> <i>Program Participants shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.</i></p>	<p><i>Evidence: Interviews with A&A foresters, the SFI Annual Report and supporting evidence.</i></p> <p>The Company supports National Forest Week, Project Learning Tree and other programs individually as well as through the WCSIC. A&A also participates in job fairs and promotes sustainable forestry through school presentations.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 7.3.</i> <i>Program Participants shall establish, at the state, provincial, or other appropriate</i></p>	<p><i>Evidence: WCSIC website, A&A EMS program, record of public communications</i></p> <p>The WCSIC maintains the primary responsibility for receiving SFI</p>

	<i>levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other Program Participants regarding practices that appear inconsistent with the SFI 2015-2019 Fiber Sourcing Standard principles and objectives.</i>	<p>program related complaints against program participants in British Columbia and determining if they warrant investigation and ensuring credible response.</p> <p>Additionally, the Company maintains their own records of communications received from the public and other stakeholders.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 8. Public Land Management Responsibilities	<i>Performance Measure 8.1. Program Participants with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.</i>	<p><i>Evidence: Communication with Government and First Nations</i></p> <p>A&A does not specifically manage public lands through their fiber sourcing programs, therefore this performance measure is discussed extensively in the table below regarding Evidence of Conformity to the SFI Forest Management Standard.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 9. Communications and Public Reporting	<i>Performance Measure 9.1. A Program Participant 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 2015-2019 Fiber Sourcing Standard.</i>	<p><i>Evidence: SFI Public Summary</i></p> <p>PwC prepared the 2017 annual public summary report and submitted it to SFI, Inc. It is available on the SFI website.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 9.2. Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Fiber Sourcing Standard.</i>	<p><i>Evidence: A&A 2017 SFI audit report and supporting documentation, communication records with SFI, Inc.</i></p> <p>A&A's 2017 SFI audit report was submitted to SFI, Inc. by the required deadline. A&A has tailored its various records and database information in order to facilitate collection of the information required for the SFI, Inc. annual report completion.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 10. Management Review and Continual Improvement	<i>Performance Measure 10.1. Program Participants shall establish a management review system to examine findings and progress in implementing the SFI 2015-2019 Fiber Sourcing Standard, to make appropriate improvements in programs, and to inform their employees of changes.</i>	<p><i>Evidence: Reviewed EMS procedures and Management Review Meeting minutes</i></p> <p>A&A conducts an annual formal management review meeting with senior leadership. The agenda includes a review of all audits, findings and corrective actions. The Company's 2018 management review minutes include a review of their internal audit results, inspection results and any associated SFI objectives, and recommendations for improvements.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

	measure.	
Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	<i>Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i>	N/A – A&A is not sourcing fiber from outside North America.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 12. Avoidance of Controversial Sources including Illegal Logging	<i>Performance Measure 12.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to reduce the risk of illegal logging.</i>	N/A – A&A is not sourcing fiber from outside North America.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws	<i>Performance Measure 13.1. Program Participants shall avoid controversial sources and encourage socially sound practices.</i>	N/A – A&A is not sourcing fiber from outside North America.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

Specific Good management practices are noted below:

- The quality of bridge construction and deactivation activities by A&A’s contractors was very high.
- A&A’s efforts to support local trail users is commendable and includes work to protect and enhance local trails, and includes an education program (signs) geared towards local hikers.
- The mature tree retention across the blocks observed on the Sechelt Peninsula supports good structural diversity in the area’s blocks.
- A&A’s efforts towards public education in forestry, including engagement with school children have increased and show a good levels of public outreach.

- The overall quality of the internal audit was high, including the variety of sites sampled and the depth of information reviewed.
- A&A's updated "Invasive Plants Operating Procedures" are well documented. This document is intended to be used by staff and contractors to identify previously existing areas and species, and to help identify new occurrences.

Conclusion

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Fiber Sourcing Standard [2015-2019] and the Sustainable Forestry Initiative Forest Management Standard [2015-2019]. The Certificate can be obtained by contacting David Marquis, R.P.F. of A&A Trading Ltd. at (604) 740-0603 or by email dmarquis@aatrading.com. More information on A&A's sustainable forestry program can be found at: <http://www.aatrading.com/>

The next SFI Assessment will be a Maintenance Assessment in the spring of 2019. The registration expires on May 11, 2020.