



2016 SFI Public Summary Report

A&A Trading Ltd.

Sustainable Forestry Initiative® (SFI) 2015-2019 Forest Management Standard Sustainable Forestry Initiative® (SFI) 2015-2019 Fiber Sourcing Standard

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed an SFI Maintenance Assessment on A&A Trading Ltd.'s ("A&A", "A&A Trading" or "the Company") fiber sourcing activities in British Columbia (BC) and forest management activities on the BC Coast. The forest management and fiber sourcing activities of the Company are managed from its corporate office in Vancouver, BC. The PwC Lead Assessor was Bruce Eaket, R.P.F., EMS (LA) and additional team members included Jeff Koch R.P.F. (Auditor and Lead Assessor-in-Training).

The primary objective of the assessment was to assess A&A Trading's SFI management systems and to evaluate A&A Trading's implementation of the SFI Standards in the field.

Indicators

Fiber Sourcing Objectives 11, 12 and 13 are not applicable since the Company is not sourcing outside Canada and the U.S. There were no substitute indicators.

As discussed below, PwC tests the field operations and the SFI indicators on a rotational sample basis. The following Indicators were sampled in 2015, but were not specifically focused on during the 2016 Maintenance Assessment other than field observations and the review of A&A plans and procedures: Forest Management – Objectives 4, 5 and 10, and Fiber Sourcing – Objectives 1 and 5.

Assessment Process

On May 24 to 26, 2016, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI requirements at the Company's corporate office in Vancouver, BC. On May 25, 2016, the assessment team conducted field assessments on BC Forest Licenses A19229 and A80590 along the Sunshine Coast. In total, the audit team spent 1.5 days at the corporate office and 1 day in the field. The audit report was dated July 15, 2016.

A&A Trading Ltd. has a multi-site certification for their forest management and fiber sourcing activities. PwC uses an audit approach where the 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.

Forest Management Summary

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 14001:2004 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 Forest License agreements (A19229 & A80590) on provincial crown lands that are managed jointly with the Province of British Columbia (B.C.) for the people of B.C. 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 eight operating areas. The operating areas are; East Homathko River, Ramsay Arm, Bute Inlet, West Redonda Island, Misery Creek, Glacial Creek, Nelson Island and the Sechelt Peninsula. Within the Sunshine Coast TSA, A&A is the third largest quota holder at approximately 11% of the 1,140,000 m³ AAC allocated to the TSA.

The forests in which A&A operates lie within the wetter maritime Coastal Western Hemlock biogeoclimatic zone. The growing season is long with the climate characterized by mild, wet winters with the coolest wettest months being November to January. Summers are generally cool and moist with July through September being the warmest and driest months. The dominant tree species are western hemlock and Douglas fir, which occur in mixed conifer stands with varying amounts of western red cedar, amabilis fir, yellow cedar, mountain hemlock and pine. The topography is variable; it ranges from gently undulating to very steep mountainous terrain. Several large rivers and smaller streams are present throughout the operating areas. These rivers and many of the streams support healthy populations of anadromous migratory and resident fish populations. Large mammals such as grizzly bear, black bear, cougar, elk and black tailed deer along with populations of smaller mammals occur through the different operating areas. Even-aged forest management is the predominate silviculture system employed, with harvest areas planted within two years from harvest.

As is 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.

Fiber Sourcing Summary

A&A is focused primarily on timber development and log marketing. The company does not own or operate any log manufacturing facilities. The log procurement area includes coastal British Columbia primarily from crown forest land tenures and concession harvest agreements. The majority of logs purchased are from certified tenures. A&A generally procures from consistent vendors with well established relationships with the company. Concession harvest areas are managed through contractual agreements signed by both parties with clearly defined roles. Concession harvest areas are always government issued tenures regulated under the British Columbia Forest and Range Practices Act.

A&A's fibre sourcing program requires procurement staff to confirm the source of the timber, whether the timber has been harvested legally, whether a qualified logging contractor and resource professional have been used and if there is a commitment to reforest the land.

For every purchase, a form (A&A's "Form 1") is completed to record the origin and certification status of the logs being purchased. Where certified fibre is purchased, A&A ensures the relevant certificate (i.e. SFM or CoC) is received and validated. A&A requires that all suppliers of uncertified logs review and sign a form (A&A's "Form 2") which is a self declaration that the vendor acknowledges the timber does not originate from a controversial source and that they will follow A&A's Best Management Practices. Form 1 includes the product and species name/s. An alternative to Form 2 is a contract document which will provide the same level of diligence and is signed by both parties.

In addition to Forms 1 and 2, a Log Purchase Risk Assessment is completed for all purchases that establishes the level of risk and determines if field monitoring audits are required to be conducted by A&A procurement staff. Field audits verify legal compliance with applicable regulations, riparian management practices, soil conservation management practices, harvesting methods, wildlife management practices (included endangered species), road construction practices, visual quality management practices and commitment to reforestation. A&A's Procurement Policy makes commitments to not purchasing logs from illegal sources or from forestlands where forest management practices are resulting in environmental damage.

Summary of Conformance and Good Management Practices

A&A Trading operates in coastal BC and is a member of the Western Canada SFI Implementation Committee, which is active in defining logger training requirements, monitoring forest practices and developing information for forest landowners.

SFI FIBER SOURCING STANDARD

Objective	Performance Measure	Evidence of Conformity
<p>Objective 1: Biodiversity in Fiber Sourcing</p>	<p><i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i></p>	<p>A&A policies and procedures. Field observations.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 2: Adherence to Best Management Practices</p>	<p><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>	<p><i>Evidence: Interviews with A&A foresters, The Purchase Wood Inspection form FRM-(PW) 01, Harvesting & Roads Inspection form FRM-02.1, EMS Policy-02, A&A's Purchase contracts, A&A's Procurement Policy (Policy- 04.1)</i></p> <p>The company is using the Purchase Wood Inspection form FRM-(PW) 01 and/or the Harvesting & Roads Inspection form FRM-02.1 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 (EMS Policy-02) 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>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 2.2. Program Participants shall monitor the use of best management practices.</i></p>	<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 PRG-08.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
<p>Objective 3: Use of</p>	<p><i>Performance Measure 3.1.</i></p>	<p><i>Evidence: A&A's Procurement Policy, (Policy- 04.1)</i></p>

Qualified Resource and Qualified Logging Professionals	<i>Program Participants shall encourage landowners to utilize 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>	<p>A&A's Procurement Policy promotes the use of qualified logging and resource professional.</p> <p>The Company maintains a list of Qualified Logging Contractors, and upon request will provide it to land owners and timber suppliers.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i>		
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>	<p><i>Evidence: websites used by A&A staff; A&A's Environmental Management System (EMS), A&A's fiber supply risk assessment matrix, Section 1 Illegally Harvested Wood.</i></p> <p>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.</p> <p>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.</p> <p>A&A uses the Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) harvest revenue 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.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i>		
	<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>	<p><i>Evidence: field observations, written contracts, compliance records.</i></p> <p>The Company complies with provincial and federal social legislation in Canada.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i>		
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,</i>	A&A policies and procedures. SIC minutes. SFI Annual Report submission.

	<i>and sustainable management of forest resources, and the environmental benefits and performance of forest products.</i>	
	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>	A&A policies and procedures. SIC minutes. SFI Annual Report submission.
	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 on forests, wildlife and biological diversity.</i>	A&A policies and procedures. SIC minutes. SFI Annual Report submission.
	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>	<p><i>Evidence: Interviews with A&A foresters, training records, Sustainable Forest Management Policy-03, Wood Procurement management Policy-4.1</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-03 and wood Procurement management Policy-4.1 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 certified logging professionals and/or qualified logging professionals.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

	<p>Performance Measure 6.2. 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.</p>	<p><i>Evidence: Interviews with A&A foresters, WCSIC communication, 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>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 7. Community Involvement and Landowner Outreach</p>	<p><i>Performance Measure 7.1. 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></p>	<p><i>Evidence: WCSIC Wood Producer Information Package, contracts, 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 and other programs individually as well as through the WCSIC.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p>Performance Measure 7.2. 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.</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 and other educational programs individually as well as through the WCSIC.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p>Performance Measure 7.3. 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</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 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>

	Participants regarding practices that appear inconsistent with the SFI 2015-2019 Fiber Sourcing Standard principles and objectives.	
	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>	<i>Evidence: Communication with Government and First Nations.</i> 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.
	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>	<i>Evidence: SFI Public Summary</i> PwC prepared the 2015 annual public summary report, submitted it to SFI, Inc. and it is available on the SFI website.
	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>	<i>Evidence: A&A 2015 SFI audit report and supporting documentation, communication records with SFI, Inc.</i> A&A's 2015 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 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>	<i>Evidence: EMS procedures, Minutes Woodlands Mgt Review</i> The Company 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 2016 management review minutes include a review of all elements of the SFI Fiber Sourcing standard and recommendations for improvements.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 11. Promote Conservation of	<i>Performance Measure 11.1. Program Participants shall ensure that their fiber</i>	<i>Evidence: Not Applicable</i> Not applicable as A&A does not purchase fiber from outside

Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	<i>sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i>	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>	<i>Evidence: Not Applicable</i> Not applicable as A&A does not purchase 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>	<i>Evidence: Not Applicable</i> Not applicable as A&A does not purchase fiber from outside North America.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

SFI FOREST MANAGEMENT STANDARD

Objective	Performance Measure	Evidence of Conformity
Objective 1. Forest Management Planning	<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, A&A tenure documentation</i> Due to the public lands and tenure system, the Province of British Columbia's Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) is responsible for the development of harvest levels through the Timber Supply Review process and the volume allocation process with each forest license. The MFLNRO 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 MFLNRO 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 forest type and manages 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</i>	<i>Evidence: interviews with A&A staff, Forest Stewardship Plans, site plans and field observations.</i>

	<i>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>	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: 2015 and 2016 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, the Company 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 conforms 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: A&A policies, interviews with A&A staff, EMS procedures</i> The Company does not currently use chemicals. However, A&A has chemical use procedures in their EMS program if required in the future.
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		
	<i>Performance Measure 2.3 Program Participants shall implement forest management practices to protect and maintain forest and soil productivity.</i>	<i>Evidence: field observations, site plans, Harvest summary 2015 and 2016</i> 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. 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.

	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<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><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 MFLNRO programs to ensure that forest pests are identified and dealt with in a timely manner. 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>
	<i>Performance Measure 2.5 Program Participants that deploy improved planting stock, including varietal seedlings, shall use best scientific methods.</i>	<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 for each site. The Company is using Class A (improved seed) for all seedlings planted (Fd, Cw, Pw) except Abies amabilis which is class B.</p>
	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>	<p><i>Evidence: field observations, inspection forms, EMS procedures</i></p> <p>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 reviews.</p>

	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, 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>	Not assessed – out of scope for 2016 assessment.
	N/A - out of scope for 2016 assessment.	
	<i>Performance Measure 4.2 Program Participants shall protect threatened and endangered species, Forests with Exceptional Conservation Values (FECV) and old-growth forests.</i>	Not assessed – out of scope for 2016 assessment.
	N/A - out of scope for 2016 assessment.	
	<i>Performance Measure 4.3 Program Participants shall manage ecologically important sites in a manner that takes into account their unique qualities.</i>	Not assessed – out of scope for 2016 assessment.
	N/A - out of scope for 2016 assessment.	
	<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>	Not assessed – out of scope for 2016 assessment.

	N/A - out of scope for 2016 assessment.	
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>	Not assessed – out of scope for 2016 assessment.
	N/A - out of scope for 2016 assessment.	
	<i>Performance Measure 5.2 Program Participants shall manage the size, shape and placement of clear-cut harvests.</i>	Not assessed – out of scope for 2016 assessment.
	N/A - out of scope for 2016 assessment.	
	<i>Performance Measure 5.3 Program Participants shall adopt a green-up requirement or alternative methods that provide for visual quality.</i>	Not assessed – out of scope for 2016 assessment.
	N/A - out of scope for 2016 assessment.	
	<i>Performance Measure 5.4 Program Participants shall support and promote recreational opportunities for the public.</i>	Not assessed – out of scope for 2016 assessment.
	N/A - out of scope for 2016 assessment.	
Objective 6. Protection of Special Sites	<i>Performance Measure 6.1 Program Participants shall identify special sites and manage them in a manner appropriate for their unique features.</i>	<i>Evidence: GIS, site plans, FSP</i> Sites of ecological or geological significance (such as rare 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: site plans, interviews with A&A staff, field observations, 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.	<i>Performance Measure 8.1</i>	<i>Evidence: Sustainable Forest Management Policy, interviews with A&A staff</i>

Recognize and Respect Indigenous Peoples' Rights	<i>Program Participants shall recognize and respect Indigenous Peoples' rights.</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, 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 encouraged 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.
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: EMS Program, Company Policy, Harvesting and roads Inspection forms, 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</i>	<i>Evidence: EMS program, Health and Safety Policy, Forest Safety Accord</i> The Company complies with provincial and federal social

	<i>social laws at the federal, provincial, state and local levels in the country in which the Program Participant operates.</i>	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>	Not assessed – out of scope for 2016 assessment.
	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, associations or other partners – develop or use state, provincial or regional analyses in support of their sustainable forestry programs.</i>	Not assessed – out of scope for 2016 assessment.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<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</i>	Not assessed – out of scope for 2016 assessment.

	<i>diversity.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 11. Training and Education	<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>	<i>Evidence: A&A policy, training records, EMS, WCSIC communication.</i> In British Columbia, the WCSIC requires individual companies to implement their own training programs for staff and contractors. The Company's training needs matrix records the training required by staff and contractors through formal training sessions and pre-work meetings. All training is current. In addition, the Company provides training on their EMS procedures and instructions. The A&A EMS manual and programs clearly assign roles and responsibilities related to SFI.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<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: WCSIC communication, EMS Manual and Programs, Training needs matrix</i> The Company supports, participates in and assists the efforts of the WCSIC to develop and administer wood producer training and education programs. In British Columbia, the WCSIC requires individual companies to implement their own training programs for staff and contractors and A&A's program is discussed above in Performance Measure 11.1.
	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: WCSIS communication, WCSIC Wood Producer Information Package</i> A&A is a member of the Western Canada SFI Implementation Committee (WCSIC) and supports its efforts both "in kind" and financially. The Company encourages forest landowners to participate in forest management certification programs through the distribution of the WCSIC Wood Producer Information Package.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 12.2 Program Participants shall</i>	<i>Evidence: Public & Community Group Program</i>

	<i>support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.</i>	The Company has a Public & Community Group Program document that describes their approach and efforts in education, and outreach.
	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 SFI 2015-2019 Forest Management Standard principles and objectives.</i>	<i>Evidence: WCSIC website</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 communication received from the public and the response, if appropriate.
	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: Government policy and programs, stakeholder list, 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 website and A&A staff interviews</i> PwC prepared the annual public summary report after the completion of the 2015 assessment. A&A's current public summary is on the SFI, Inc. 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.</i>	<i>Evidence: A&A 2015 SFI audit report and supporting evidence. SFI, Inc. communication</i>

	<i>on their conformance with the SFI 2015-2019 Forest Management Standard.</i>	A&A's 2015 SFI audit report was sent to SFI before the 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.
	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: EMS program, Annual Management Review minutes and supporting documentation.</i> The Company conducts an annual formal management review meeting with senior leadership to review the EMS and SFI programs including the results of internal/external audits, findings and corrective actions. The Company's 2016 management review minutes include a discussion of the SFI 2015-2019 Standards and their internal suggestions for change.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

Specific Good Management Practices are noted below:

- A&A utilizes in-block retention areas which include wetlands for Red Legged Frog habitat and the retention of older trees on rocky ground, which would be difficult to regenerate.
- A&A has a mature EMS/SFI FM/SFI FS system which is integrated and has become part of the way A&A and its contractors do business.
- A Migratory Birds Review is currently being undertaken by a biologist for A&A. A list of migratory birds present in A&A operating areas and their habitat/supply needs is being developed so that A&A can then plan the timing of their operations to minimize the potential disturbance to the birds.
- A&A's internal audit and management review was comprehensive.

Conclusion

A&A Trading Ltd. has maintained conformance with the requirements of the SFI Standards. The Certificate can be obtained by contacting David Marquis, R.P.F. of A&A Trading Ltd. at 604-740-0603 or e-mail dmarquis@aatrading.com.