

## **2016 SFI Public Summary Report**

### **The Gorman Group of Companies Sustainable Forestry Initiative® (SFI) Fiber Sourcing Standard [2015-2019] Sustainable Forestry Initiative® (SFI) Forest Management Standard [2015- 2019]**

**Date: November 4, 2016**

#### **Project Scope and Objectives**

PricewaterhouseCoopers LLP (PwC) completed a multi-site Re-Registration Assessment on The Gorman Group of Companies (the “Company” or “Gorman”) Forest Management and Wood Fiber Procurement in North America for the following locations or business units: Canoe Forest Products Ltd., Canoe, BC; Downie Timber Ltd., Revelstoke, BC; and Gorman Bros. Lumber Ltd., Westbank, BC. The forest management and fiber sourcing activities are managed by Gorman’s Central Office in Westbank, BC. The Lead Assessor was Shawn Ellsworth, RPF, EMS (LA). The audit team member was James Lucas, RPF, EMS LA, PwC Contract Assessor. The audit team was accompanied by Gorman SFI Representatives, Randy Hardy and Jeff Lipsett.

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 changes to the scope of the multi-site certification since the last public summary. Gorman Bros. Lumber Ltd. was previously certified to the 2010 version of the Standard and transitioned to the new 2015 – 2019 version of the Standard this year.

#### **Indicators**

All of the indicators in the SFI 2015 – 2019 Forest Management and Fiber Sourcing Standards were within the scope of the assessment, except for Objectives 11, 12 & 13 for Fiber Sourcing, since none of the fibre procured by Gorman comes from outside Canada or the US. There were no substitute indicators.

#### **Assessment Process**

On August 16-24<sup>th</sup>, 2016 the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements at the Central Office in Westbank, BC. The assessment team conducted field assessments in Westbank & Canoe woodlands operations. During the field assessments, a total of 20 sites were visited which included 10 active or completed harvest sites (5 in Westbank, 5 in Canoe), 5 road construction or upgrade sites, 4 silviculture sites and 2 procurement/gatewood sites. In total, the audit team spent 2 days at the central office and 4 days on-site for field assessments. The audit report was dated November 4, 2016.

Gorman has a multi-site certification for the forest management and wood fiber procurement in North America for the following locations: Westbank, Revelstoke and Canoe, BC. PwC uses a

rotational audit approach where the central office is audited annually and the three locations are sampled on a 3 year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.

### **Gorman's Forest Management Program**

Gorman conducts forest management and fibre procurement on 6 forest tenures:

- Forest License A31102 in the Revelstoke Timber Supply Area (TSA) and Forest License A17644 in the Golden Forest TSA directly managed by the Woodlands Department of Downie Timber Ltd.
- Forest License A18670 in the Okanagan Timber Supply Area (TSA), TFL 33 and TO635 managed by the Woodlands Department of Canoe Forest Products Ltd.
- Forest Licenses A18671 and A91117 in the Okanagan Timber Supply Area (TSA) managed by the Woodlands Department of Gorman Bros. Lumber Ltd.

All operations occur under Forest Stewardship Plans (FSPs). Each FSP is a map based, landscape-level view of potential development activities that are intended to take place on the area described in the plan.

Among other things, the purpose of the FSP is to:

- List applicable Objectives Set by Government (OSBG).
- Describe the measurable and/or verifiable results and/or strategies that would meet the OSBG.
- Prescribe measures specific to forest range.
- Provide an opportunity for review and an opportunity for input.
- Support government's consultation duty with First Nations.

Objectives were derived from the Okanagan-Shuswap Land and Resources Plan (OSLRMP), the Revelstoke Minister's Advisory Committee (RMAC) and the Kootenay Boundary Higher Level Plan (KBHLP) which were signed off by one or more of the Gorman Group companies. All 3 processes (the OSLRMP, RMAC and the KBHLP) brought a wide range of interest groups together to identify resource values and management objectives for the respective Timber Supply Areas.

Operations are carried out within several Biogeoclimatic Zones including the Interior Cedar Hemlock (ICH), Interior Douglas-fir (IDF), Montane Spruce (MS) and Engelmann Subalpine Fir (ESSF). Operations range in elevation from approximately 350 metres to over 2200 metres. Species harvested include Douglas-fir, Spruce, Western Red Cedar, Western Hemlock, Balsam, Larch, and Lodgepole Pine. Harvesting is carried out by contractors with conventional ground skidding systems using feller bunchers and skidders and also by using overhead cable systems and some helicopter logging.

Forest management activities completed on the crown issued tenures are performed by Woodlands Department employees, consultants and contractors, at each Company.

The range of activities includes forest development and planning including lay-out, assessments and surveys, road construction, maintenance and deactivation, harvesting and post harvest activities including site preparation, in-block deactivation, planting and brushing.

Woodland activities end at the log dump / scale site and do not include the log yard, booming grounds, tugs, or sawmill/veneer facilities.

**Summary of Conformance, Findings, and Good Management Practices**

**SFI FOREST MANAGEMENT**

Objective	Performance Measure	Evidence of Conformity
<p><b>Objective 1.</b> <b>Forest Management Planning</b></p>	<p><i>Performance Measure 1.1</i> <i>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></p>	<p><i>Evidence: Gorman SFI Evidence Package, Interviews with Gorman Staff and contractors, Documents reviewed on-site include: Gorman Forest Stewardship Plan for Southern Okanagan and Canoe, Gorman WB AAC Cut Control Report for 2016, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe</i></p> <p>Gorman has three separate planning units - two of three were sampled in 2016. All operations are conducted under a 5 year Forest Stewardship Plan (FSP). The existing Westbank (WB) FSP, South Okanagan Similkameen FSP was a joint effort between all the major licensees in the area and some smaller companies and First Nations (Gorman, Tolko, Trace Resources, Penticton Indian Bank). Gorman's Canoe Operation has three distinct tenures and a number of expiring Timber Licenses with minimal cut associated with them. All tenures fall under the Canoe FSP #70. Both FSP's specify stewardship requirements for a variety of areas including: soils, wildlife, water, community watersheds, timber, forest health, visuals, recreation and silviculture.</p> <p>Gorman's WB operation falls within the Okanagan Timber Supply Area (TSA) and the Canoe tenures fall into the Okanagan Timber Supply area. Allowable Annual Cut (AAC) is determined in periodic Timber Supply Review where the Province's Chief Forester models the sustainable timber supply in a given TSA with the most up to date inventory information and growth and yield modelling based on regionally appropriate models (VDYP, TIPSy). Cut control documentation at Westbank and Canoe was reviewed and found to be within allowable legal limits.</p> <p>Gorman has in house mapping capability at each office which contains Geographic Information Systems (GIS) layers with all resource features including: inventory polygons, roads, water features, special sites, parks, Old Growth Management Areas (OGMA's) and other wildlife features (e.g. ungulate winter range, rookies, known nest sites etc.). Land classification is done in part through the Biogeoclimatic Ecoclassification System (BEC) which correlates land areas and biophysical features with forest and vegetation types in the Province. Soils information is known on a regional level through a soils classification system and on a site-specific level through SP data collection.</p>

	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 staff, forest management plans, site plans and field observations.</i>  Stand conversion into other types is not acceptable under BC forest practices rules and Gorman has not implemented this type of conversion in the past. Gorman manages plantation establishment using approved 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: field assessments, interviews with staff forest management 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.	
<b>Objective 2. Forest Health and Productivity</b>	<i>Performance Measure 2.1 Program Participants shall promptly reforest after final harvest.</i>	<i>Evidence: field assessments/observation and records. Documents reviewed on-site include: Gorman Site Plans, BC silviculture regulations, BC Stocking Standards, silviculture records</i>  As per MoF regulations, all harvesting activities have a legally binding silviculture plan which is detailed in the Site Plan (SP) and signed off by a BC Registered Professional Forester (RPF). The SP details site preparation, planting and any subsequent treatments. Artificial regeneration (planting) occurs within two years of harvest completion, unless delayed for site-specific environmental or forest health considerations. Field observations and records associated with each timber harvest were used to confirm practices.
	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 staff and contractors, EMS procedures, Review of silviculture records including license documents, MoF Pesticide Use records, and flight records.</i>  Gorman has an Integrated Pest Management Program (IPMP) which runs from 2012-2017. The document gives a wide range of brush treatments including mechanical and chemical and details how decisions will be made for each application. Government approved IPMPs specify the standards and requirements applicable when prescribing chemical applications. Detailed prescriptions are developed by qualified professionals and are consistent with the IPMP.
	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</i>	<i>Evidence: harvest site plans, field observations.</i>  All SP's have soils descriptions and rank soils for compaction hazard and disturbance targets. Field-based soil classifications

	<i>forest and soil productivity.</i>	<p>(with the aid of soils maps where available) to identify soils that are vulnerable to compaction are conducted by qualified Forest Professionals, who also make recommendations regarding the management and avoidance of vulnerable soils during forest management activities.</p> <p>Site Plans have site disturbance limits for permanent and temporary access structures such as road and landings. The Company's Environmental Management System (EMS) includes measures to maintain forest and soil productivity. Trail rehab and, road rehab to return disturbed transportation corridors to forest productivity are implemented on temporary access structures.</p>
<p>One Nonconformity was identified related to this performance measure:</p> <p>On one harvest unit, the Site Plan identified soils as having a high hazard rating for compaction and surface erosion and specified winter harvesting with "suitable snow pack due to fine textured and wet soils." While harvesting commenced on this unit with a sufficient snow pack, skidding was conducted later in the summer under snow free conditions. The result was that for an 8-10 hectare area of this harvest unit where soil disturbance exceeded the 10% maximum for the harvest unit.</p> <p>An acceptable action plan was noted for this finding which included: rehabilitation of trails in the harvest unit and a review of harvest timing for these types of sites. The finding is open and the implementation of the action plan will be renewed at the next audit.</p> <p>There were no opportunities for improvement.</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><i>Evidence: harvest site plans, field observations, silviculture records, fire drill records, staff and contractor interviews.</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., BC Wildfire Act). Damaging agents include wind throw, fire, pests and diseases. The MFLNRO monitors forest health concerns by conducting aerial overview flights on an annual basis, and making the results available to Licensees for consideration in developing harvest plans. Aggressive salvage harvesting is conducted consistent with Forest Health strategies contained in the FSPs, while considering and managing impacts to other resource values to acceptable levels.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</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 staff, EMS procedures, silviculture records</i></p> <p>Research, testing and evaluation of genetically improved seedlings are conducted by the MoF. All seedlings are grown in privately owned nurseries, each of which is involved in various research endeavors and trials for the forest industry and the MFLNRO. Gorman own Class A Seed at Surrey Seed Centre for future use.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
<b>Objective 3. Protection and Maintenance of Water Resources</b>	<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</i>	<p><i>Evidence: Gorman SFI FM evidence package, Interviews with all staff members, Roads Standard Operating Procedures (SOPs), Road Inspection Records, Field Observations</i></p> <p>Gorman employs a number of qualified forest professionals who are responsible for carrying out Gorman's forest</p>

	<p><i>developed under Canadian or U.S. Environmental Protection Agency – approved water quality programs.</i></p>	<p>management including the implementation of Provincial regulations and Best Management Practices (BMPs) during all phases of operations. Harvesting and roads start with Cutting Permit and Site Plans which lay out details of Operational Plans in the field.</p> <p>Site Plans identify all resource features (including riparian) on the ground to be protected and their protection measures. These measures include buffers, timing of harvest and type of harvest, BMP's to be implemented at the time of operations or closure, and inspection/monitoring regime. All operations include a pre-work with the contractor, active and a final inspection by Gorman staff are standard practice. Logger training with regard to BMP's is also carried out for Gorman's EMS including SOP's.</p> <p>All Gorman road building plans are documented and roads are monitored by staff at a given interval depending on hazard rating and after storm events. Reviewed inspections process and frequency with Gorman staff in WB &amp; Canoe. All Gorman maps contain instructions/SOP's for operations such as: operations guidelines - pre-work, ops maps, spill reporting and prevention, stop work procedures, fire and emergency response instructions.</p>
<p>No Nonconformities were identified related to this performance measure. Opportunities for Improvement include:</p> <p>While the overall logging quality and contractor knowledge of Gorman's EMS was good, a number of housekeeping observations were noted on one unit including, water bars need touching up, a haul back drum from the contractor's yarder which was in a road ditch with flowing water, access to the emergency water source on the lower road was impeded by logging slash and the condition of the contractor's shop trailer unorganized and untidy with some garbage on the ground outside the trailer.</p> <p>Reviewing contractor harvest engineering packages prior to submission for CP approval where instances were found where block engineering could have been improved (e.g. sliver sections, improper deflection &amp; poor timber quality).</p> <p>While the overall quality of roads management across the sites reviewed was reasonable, on one road, there were minor sections of erosion noted; however, these areas were isolated and there was no immediate consequence of the erosion to water quality.</p>		
	<p><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></p>	<p><i>Evidence: Gorman SFI FM evidence package, interviews with staff members and contractors, FSP, Site Plans and records of Pre-work meetings, Gorman logger training records, EMS/SFI Safety Manual. Office and field observations.</i></p> <p>Prescriptive measures to protect water quality and riparian zones are specified in Land Use Plans, incorporated into FSP's as results / strategies, specified in SPs as prescriptive measures, and ultimately applied on the ground through the implementation of operational plans. Staff and Contractors are required to be trained in EMS awareness, as well as specific Best Management Practices pertaining to the appropriate management of all water resources.</p>

		<p>Supervision of contractors during layout, construction, harvesting and site preparation (silviculture) phases ensures that plans and prescriptions pertinent to management of water features are fully and properly implemented. Emergency Measures to protect water quality are also found in the Spill Prevention and Response Plans.</p>
	<p>One Nonconformity was identified related to this performance measure:</p> <p>On one harvest unit, the Site Plan identified two S-6 streams which were to be protected in the northern section of the primary harvest unit through riparian management zones (machine free RMZ), a designated crossing site and a winter harvest. While the crossing was put in at the location identified on the logging plan map, after clean out it appeared that the stream course had been altered and was flowing into the adjacent landing. Gorman should review both harvest unit design as well as machine management in light of these disturbances to stream integrity. An acceptable action plan was noted for this finding which included: rehabilitation of the stream channels and a review of engineering around streams with planners and layout crews. The finding is open and the implementation of the action plan will be renewed at the next audit.</p> <p>There were no opportunities for improvement.</p>	
<p><b>Objective 4. Conservation of Biological Diversity</b></p>	<p><i>Performance Measure 4.1 Program Participants shall conserve biological diversity.</i></p>	<p><i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan - OGMA Placement Process, Joe Rich Creek Terrain Stability Assessment -March 30, 2016, Marten Habitat Analysis - Canoe, East Canoe Creek Watershed Analysis Canoe, Mule Deer Winter Range Assessment Order - Planning Cell #510</i></p> <p>The company's FSP incorporates the conservation of biological diversity by setting objectives, results and strategies to meet legislative requirements such as landscape and stand level biological diversity, objectives for water, fish, wildlife and biological diversity within riparian areas, and objectives set for soils and wildlife. Measures are carried in the site level plans developed by Registered Professional Foresters.</p> <p>Additionally, EMS operational controls have been implemented to conserve biological diversity.</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: Gorman SFI FM evidence package, Interviews with staff members, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan - OGMA Placement Process, Joe Rich Creek Terrain Stability Assessment -March 30, 2016, Marten Habitat Analysis - Canoe, East Canoe Creek Watershed Analysis Canoe, Mule Deer Winter Range Assessment Order - Planning Cell #510</i></p> <p>Land Use Plans provide the framework for conservation of</p>

		<p>biological diversity through a 3-layered approach that entails the identification and establishment of Parks and Protected Areas, designation of Old Growth Management Areas (OGMAs), and site specific wildlife tree retention areas (WTRAs) and riparian reserves. Special wildlife habitats (e.g., caribou in the north, and a variety of arid/dry-belt species in the south) are protected through establishment of Wildlife Habitat Areas, and Government Orders (GAR) that identify / restrict forest management practices in specific habitat types.</p> <p>The FSP outlines landscape level retention and stand level retention strategies to conserve biological diversity. Objectives, results and strategies in the FSP are established to manage for these species. Operational implementation and monitoring is conducted through the EMS mechanisms.</p> <p>Consistent with the FSP's, between 3 and 11% of a cut block area is retained as Wildlife Tree Retention Areas (WTRA) in the Okanagan TSA dependent on the Landscape Unit and Biogeoclimatic subzone. In the Revelstoke TSA, WTRA retention levels are dependent on block size, harvest method and salvage considerations as specified in the FSP.</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 members, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan - OGMA Placement Process, Joe Rich Creek Terrain Stability Assessment -March 30, 2016, Marten Habitat Analysis - Canoe, East Canoe Creek Watershed Analysis Canoe, Mule Deer Winter Range Assessment Order - Planning Cell #510</i></p> <p>Ecologically important sites are identified and mapped. Trained field crews identify ecologically important sites for protection. Site Plans are developed by foresters using the field information gathered. The EMS manual describes how Gorman ensures that personnel have the training, awareness and competency to perform their job. Training procedures aim to identify, deliver and record environmental training for all individuals that have potential to significantly impact the environment. Pre-work meetings are held prior to the commencement of contract activities.</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 members, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan - OGMA Placement Process, Joe Rich Creek Terrain Stability Assessment -March 30, 2016, Marten Habitat Analysis - Canoe, East Canoe Creek Watershed Analysis Canoe, Mule Deer Winter Range Assessment Order - Planning Cell #510</i></p> <p>Gorman subscribes to a variety of organizations (e.g. ABCFP, Okanagan Basin Water Board, UBC Forestry, BC Conservation Data Centre, and the MFLNRO) which maintain</p>

		<p>websites and newsletters to disseminate information on current research projects. These information centers help to keep practitioners aware of new forest management techniques, public opinion and forest policy/guidelines.</p> <p>Results and Strategies contained in the FSP are consistent with the values and management direction identified through the Okanagan Similkameen LRMP (OSLRMP) process. Participation and funding are provided for ongoing research programs that provide the science used to support the objectives. For example, through membership in the Okanagan Innovative Forestry Society (OIFS), funding is provided to monitor caribou and wolf populations in the Shuswap area, and to establish post-harvest debris trials for Marten habitat in the Okanagan. Through membership in the OSLRMP Caribou Sub-committee, input is provided towards the implementation of the habitat identification and management regimes.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
<p><b>Objective 5. Management of Visual Quality and Recreational Benefits</b></p>	<p><i>Performance Measure 5.1 Program Participants shall manage the impact of harvesting on visual quality.</i></p>	<p><i>Evidence: Interviews with staff members, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan, Visual Nature Studio software,</i></p> <p>Proposed cut blocks and roads within visually sensitive areas will be designed and assessed by a competent professional to ensure that the proposed developments meet the definition of the established Visual Quality Objectives (VQO's) as described in the FSP. The last project was undertaken southwest of Peachland and was reviewed in the WB office with the Planning Forester. Auditor also reviewed visual design package in Canoe for proposed cut block near Shushwap Lake. Digital views and modification modelling with multiple viewing locations were reviewed.</p> <p>Visual management across both the Gorman Westbank and Canoe operations was very good and there were numerous examples of modelling and visual design which were visible throughout both operations.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 5.2 Program Participants shall manage the size, shape and placement of clear-cut harvests.</i></p>	<p><i>Evidence: Staff interviews, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan, Visual Nature Studio software, DTM for CP 131, 2014 Gorman SFI Report</i></p> <p>The Company conforms to applicable laws, regulations and follows guidelines regarding the size of clearcut harvest areas. The FSPs contain results / strategies that specify maximum cut-block sizes of 40 ha which may be exceeded in certain situations in accordance with FRPA (i.e. areas where visual rehabilitation is required, or where forest health conditions or other natural catastrophes require larger sizes). Cut-block size is tracked within the Phoenix Pro forest management system data base</p>

		and site plans.
	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: Staff interviews, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan, Visual Nature Studio software, DTM for CP 131, 2014 Gorman SFI Report</i>  Where green-up is required prior to adjacent harvesting, Gorman conducts a green-up assessment in accordance with Provincial regulation and guidelines.
	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: Staff interviews, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Southern Okanagan and Canoe FSP, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan, Visual Nature Studio software, DTM for CP 131, 2014 Gorman SFI Report</i>  Recreation opportunities are identified within higher level plans (OSLRMP, Revelstoke Ministry Advisory Committee and the Kootenay Boundary Land Use Plan) while specific features such as trails are normally identified through "local knowledge". Regular discussion and cooperation with the many groups that utilize the forest for recreation occurs as part of the standard forest development referral/notification process. Trail management through groups such as guide-outfitters, snowmobile, horseback, and hiking clubs involves identifying or planning trails in the various operating areas. Discussion between forest licensees and recreation groups regarding trail placement and road maintenance is critical so as to provide recreational opportunities in a safe environment in concert with ongoing forest management activities. Recreation features are catalogued in GIS format for easy reference by forest planners and operations supervisors. New features are added to the GIS as they become known, either through official notification, or through discovery in the field during layout and development.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 6. Protection of Special Sites</b>	<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: Staff interviews, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Gorman WB &amp; Canoe GIS, multiple harvest unit SP's in Westbank and Canoe, Okanagan Shuswap Land and Resource Management Plan</i>  Gorman has access to GIS layers including: roads/landings/ water layers/geology/ special features (e.g. karst, cabins) /VQO's/wildlife layers (deer winter range etc.)/arch sites/trappers/community watersheds etc. The layer will be accessed during development planning and as required.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

	measure.	
<b>Objective 7. Efficient Use of Fiber Resources</b>	<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>	<p><i>Evidence: Staff interviews, review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Field Observations, Harvest Inspection Forms, Interviews with contract processor operators</i></p> <p>Operational plans specify standards for post-harvest conditions that are communicated to the contractor at pre-work meetings, and are monitored during, and after harvesting through the EMS mechanisms. Harvested areas are surveyed for levels of waste, exclusive of Coarse Woody Debris (CWD) requirements, at the completion of harvest. Any waste in excess of the maximum allowable is charged and tracked through government's Waste and Billing System. Reviewed inspection forms in the field with staff. Log quality is part of the inspection process. Utilization is monitored in accordance with the provincial Waste and Residue Manual, which specifies the utilization standards to be met. Permit documents describe utilization standards to be achieved.</p> <p>Wood volume that cannot be manufactured at one of the facilities may be marketed. For example, pulp quality wood may be sold to chipping facilities or directly to pulp producers. Other volumes (such as cedar shake wood or post &amp; rail logs) may be marketed to specialty producers depending on markets and economics. Investment in improving recovery of finished product from raw logs is an ongoing process at each of the processing facilities. Substantial investment in the Downie and Gorman operations over the last 10-15 years has resulted in very efficient use of the resource. Capital upgrades are planned for the Canoe veneer line in 2013 to increase the amount and type of logs consumed, while improving the veneer recovery at the same time.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 8. Recognize and Respect Indigenous Peoples' Rights</b>	<i>Performance Measure 8.1 Program Participants shall recognize and respect Indigenous Peoples' rights.</i>	<p><i>Evidence: Gorman's Sustainable Forest Management Program for SFI 2015-19, EMS Forest Stewardship Policy</i></p> <p>Gorman's Forest Stewardship Policy includes a commitment to recognize and respect the rights of First Nations' Peoples.</p>
	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>	<p><i>Evidence: Gorman's Sustainable Forest Management Program for SFI 2015-19, EMS Forest Stewardship Policy, Interviews with staff members</i></p> <p>Gorman communicates with Indigenous Peoples (Bands) through information sharing activities as part of resource development planning, participation in meetings and workshops and through informal activities such as attending local Band functions.</p> <p>Gorman has a good communication process with a variety of Bands including: Upper Similkameen, Penticton, Westbank - Okanagan Indian Band. In the last few months, Gorman Senior Management have attended various Cultural Events and the</p>

		<p>company is currently working on a management agreement for the Okanagan Indian Band's forest license.</p> <p>Reviewed the information sharing process with Gorman's Planning Forester in Canoe. The company uses Archaeological Overview Assessment's (AOA's) for various plan developments. One example reviewed, an AOA was done in 2011 and was reviewed for the proposed Cutting Permit CP). Referrals were sent to Little Shuswap (Chase), Splotsin (Enderby), Adams lake (Chase), Nesconlith (Chase-Kamloops). No specific issues were identified in that development. For another CP near Three Valley, accommodations were made in the layout/plan to protect the waterfalls in the area as they had spiritual value to the local First Nations.</p>
	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.
<b>Objective 9. Legal and Regulatory Compliance</b>	<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>	<p><i>Evidence: Gorman's Sustainable Forest Management Program for SFI 2015-19, EMS Forest Stewardship Policy, Interviews with staff members, EMS Compliance Log.</i></p> <p>Gorman uses Quickscribe to access legal requirements and any updates to forestry and environmental legislation in the Province. The majority of Gorman staff are either RPFs, RFTs or are training to become RPFs. The ongoing training with staff &amp; contractors is strong and controlled through the EMS.</p> <p>The EMS Manual provides a framework for environmental monitoring (see Monitoring and Measuring Section). It also describes the requirements and procedures for tracking and addressing any non-conformances with the EMS, as well as any non-compliances with federal or provincial legislation. Staff and contractor EMS training is an annual requirement, and is revised in response to changes in regulatory revisions, changes to the SFI Standard, or other relevant policies/practices (see Training and Awareness section).</p>
	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>	<p><i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, Gorman SFM Policy.</i></p> <p>The Gorman SFM policy statement commits to complying with social laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment measures, workers' compensation, indigenous peoples' rights, workers' and communities' right to know, prevailing wages, and occupational health and safety and respects the rights of workers and labour representatives.</p> <p>Employees at the Canoe veneer plant and plywood operation are</p>

		subject to a collective labour agreement with the United Steelworkers union and contracts contain a provision that commits contractors to adhere to the Employment Standards Act.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 10. Forestry Research, Science and Technology</b>	<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: Gorman SFI FM evidence package, Interviews with staff members</i>  The Company supports forestry research, science, and technology through the support and involvement with WCSIC.  Through the Timber Supply Review process, the Company participates in MoF forest health, productivity and ecosystem functions analysis.
	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>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff members</i>  The Company utilizes provincial growth and yield data and results of timber supply analysis.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 10. Forestry Research, Science and Technology</b>	<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>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, WCSIC website</i>  The Company supports forestry research, science, and technology through involvement WCSIC.  Through the Timber Supply Review process, the Company participates in MoF forest health, productivity and ecosystem functions analysis that includes carbon research. Information from the WCSIC and other resources will be used to broaden the awareness of climate change and the associated impacts on forests, wildlife and biological diversity.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 11. Training and Education</b>	<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: Gorman SFI FM evidence package, Interviews with staff members, review of training records</i>  FM policy is posted and signed by Gorman’s Chief Forester and Co-CEO. The Environmental Policy is communicated to all Woodlands employees and contractors who shall conduct activities within the direction and intent of the Environmental Policy. The policy is posted in each office and on company websites. The commitment to the SFI Standard is stated within this SFMP. This commitment is also circulated as part of the

		SFI training / awareness sessions conducted with staff and contractors. Roles and responsibilities for achieving the SFI objectives and the EMS are defined in the Structure and Responsibility Section of the EMS manual.
	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: Gorman SFI FM evidence package, Interviews with staff members, WCSIC website</i>  The WCSIC Training Policy and Wood Producer Information Package identify criteria and delivery mechanisms for wood producers. The WCSIC website also contains links to sources of training material. Gorman conducts annual training to address continual improvement and informs contractors when appropriate training courses are available.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 12. Community Involvement and Landowner Outreach</b>	<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: Gorman SFI FM evidence package, Interviews with staff members, WCSIC website</i>  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 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: Gorman SFI FM evidence package, Interviews with staff member</i>  Gorman conducts tours of its facilities and forest management from time to time. The last public presentation was in the Joe Rich area on March 3, 2016. Mill tours are ongoing, many politicians are toured though the mill to increase the profile of forestry in the Okanagan. The Wood Producer Information package is provided to private landowners during procurement operations with reference to Company websites for further information.
	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</i>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, WCSIC website</i>  The EMS provides a mechanism for addressing public inquiries about sustainable forest management. Public concerns or questions regarding forestry operations are vetted through

	<i>foresters, employees, unions, the public or other Program Participants regarding practices that appear inconsistent with the SFI 2015-2019 Forest Management Standard principles an objectives.</i>	the Woods Manager or designate at each office. Records of any discussions are kept in accordance with EMS procedures and are reviewed at the Annual Management Review Meeting. Copies of complaints received are forwarded to WCSIC and reviewed with the surveillance/registration auditing company.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 13. Public Land Management Responsibilities</b>	<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: Gorman SFI FM evidence package, Interviews with all staff members, Gorman FSP &amp; SP's</i>  Participation in relevant land use planning processes and implementation committees such as the OSLRMP, RMAC, and KBHLP plans is ongoing. Updates / amendments to these plans occur on an as-needed basis (e.g. the recent Ungulate Winter Range and Caribou GAR Orders and amendments to the RHLPO). Annual updates to the FSP's are referred to stakeholders, the public, and other groups to provide the opportunity to comment on the location / scale /extent of planned forest management activities.  Relevant public inquiries record (RF-07) was reviewed during the audit. The document and it records any interaction with the public from 2014-present. Approximately 60 records of interactions from ranchers/neighbors to First Nations, trappers and other stakeholder contact for 2016.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 14. Communications and Public Reporting</b>	<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: Gorman SFI FM evidence package, Interviews with Chief Forester, Reviewed Gorman's 2014 SFI Audit Summary Report</i>  The 2014 audit report is posted on the SFI Inc. website. The 2015 audit report will be compliant with requirements of the indicator.
	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: Gorman SFI FM evidence package, Interviews with Chief Forester, Reviewed Gorman's 2014 SFI Progress Report</i>  Gorman's EMS manual includes the role and responsibility of compiling and reporting the information for the SFI annual progress. The 2015 report was submitted in March, 2016 as required.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 15. Management Review and Continual Improvement</b>	<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: Review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Interviews with Chief Forester, Gorman 2015 Internal Audit Report, , Gorman SFM policy, Gorman Annual Management Review for SFI &amp; PEFC dated August 9, 2016</i>  Gorman undertakes Management Reviews as part of the EMS process. This includes a review of the SFI program and performance measures. Gorman's Management Review took

		place August 9, 2016. As part of the management review process, the management team recommends improvements and issues to be addressed for continual improvement.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

## SFI FIBER SOURCING

Objective	Performance Measure	Evidence of Conformity
<b>Objective 1: Biodiversity in Fiber Sourcing</b>	<i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i>	<p><i>Evidence: Gorman Fiber Sourcing Evidence Package, Interview with Gorman staff, WCSIC Information Package, Reviewed Risk Assessments and Site Inspections.</i></p> <p>Of the log volume purchased at Westbank in 2016, the majority of logs purchased at both locations are from BCTS or Major Licensees and are certified. Many of the sources below come from public lands and have been through stringent planning and review processes and meet the requirements of this indicator via various planning processes. All sources are subject to a “Risk Assessment” at the time of purchase and where warranted, field inspections are conducted to ensure Best Management Practices are being implemented, and that operations meet FRPA requirements around biodiversity, soil conservation, and riparian management, among other things.</p> <p>Forests with Exceptional Conservation Value (FECVs) are those ecosystems that support critically imperiled or imperiled species. In British Columbia, the Conservation Data Center is used as a source of current/best information on the occurrence of such species. By definition, critically imperiled, or imperiled species are classified as G1 or G2, meaning they are globally rare and/or vulnerable to extinction. All provincial forest tenure holders in BC are required to follow legal requirements that include addressing the federal Species at Risk Act in those instances where species have been designated, and recovery plans have been formulated.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 2: Adherence to Best Management Practices</b>	<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: Gorman Fiber Sourcing Evidence Package, Interview with staff, WCSIC Information Package, Gorman Wood Purchase Contract, Procurement Risk Assessments for all suppliers, Wood Procurement Risk Assessment 2015/16 Supplier list and inspection reports, Inspection Reports</i></p> <p>Gorman has a fiber sourcing policy that is available to wood producers. Wood purchase risk assessments and inspections ensure that purchased wood originating from non-certified sources and managed private forest land and other sources complies with the procurement program including best management practices (BMPs) compliance.</p> <p>The Chain of Custody Standard Operating Procedure (SOP), which includes the PEFC risk assessment and Chain of Custody training information provide additional rigor around fibre sourcing with respect to Best Management Practices and sustainable forest practices.</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: Gorman Fiber Sourcing Evidence Package, Interview with staff, WCSIC Information Package, Gorman Wood Purchase Contract, Procurement Risk Assessments for all suppliers, Wood Procurement Risk Assessment 2015/16 Supplier list and inspection reports, Inspection Reports and Photos</i></p> <p>The WCSIC risk rating system is used as a basis to evaluate the</p>

		requirement for inspections. Documented inspections will be conducted on a periodic basis for Wood Producers that meet the definition of “Low Risk” under the WCSIC risk process for compliance to Best Management Practices. The wood procurement policy and log purchase/risk assessment questionnaire provides additional information. Reviewed a number of inspections for both Gorman Westbank and Canoe including field inspections and found no issues.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 3: Use of Qualified Resource and Qualified Logging Professionals</b>	<i>Performance Measure 3.1. 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><i>Evidence: Interview with staff, WCSIC Information Package, Review of Gorman's Fibre Sourcing Program for SFI 2015-19 and PEFC CoC Program, Southern Okanagan FSP, Gorman WB &amp; Canoe GIS, Gorman EMS and Training Program, WCSIC Wood Producer Package</i></p> <p>The Wood Producer Information Package encourages the use of qualified logging and resource professionals. Certification of logging professionals is not readily available in BC so WCSIC members provide training for their contractors, including annual training updates.</p> <p>The Gorman Wood Producer Information Package contains a list of qualified logging professionals that have been trained and experienced in SFM and EMS. In addition, each mill has a list of qualified contractors that have received training in various aspects of forest management, and are competent to supply services such as forest development, tree planting, site preparation, brushing, etc. Qualified resource professionals are listed on the Association of BC Forest Professionals website.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 4: Legal and Regulatory Compliance</b>	<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: Gorman's Sustainable Forest Management Program for SFI 2015-19, EMS Forest Stewardship Policy, Interviews with staff members, EMS Compliance Log.</i></p> <p>Gorman uses Quickscribe to access legal requirements and any updates to forestry and environmental legislation in the Province. The majority of Gorman staff are either RPFs, RFTs or are in training to become RPFs. The ongoing training with staff &amp; contractors is strong and controlled through the EMS.</p> <p>The EMS Manual provides a framework for environmental monitoring (see Monitoring and Measuring Section). It also describes the requirements and procedures for tracking and addressing any non-conformances with the EMS, as well as any non-compliances with federal or provincial legislation. Staff and contractor EMS training is an annual requirement, and is revised in response to changes in regulatory revisions, changes to the SFI Standard, or other relevant policies/practices (see Training and Awareness section).</p>
	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</i>	<p><i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, Gorman SFM Policy.</i></p> <p>The Gorman SFM policy statement commits to complying with social</p>

	<i>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>laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment measures, workers' compensation, indigenous peoples' rights, workers' and communities' right to know, prevailing wages, and occupational health and safety and respects the rights of workers and labor representatives.</p> <p>Employees at the Canoe veneer plant and plywood operation are subject to a collective labor agreement with the United Steelworkers union and contracts contain a provision that commits contractors to adhere to the Employment Standards Act.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 5. Forestry Research, Science and Technology</b>	<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 sustainable management of forest resources, and the environmental benefits and performance of forest products.</i>	<p><i>Evidence: Gorman SFI FM evidence package, Interviews with staff members</i></p> <p>The Company supports forestry research, science, and technology through the support and involvement with WCSIC.</p> <p>Through the Timber Supply Review process, the Company participates in MoF forest health, productivity and ecosystem functions analysis.</p>
	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>	<p><i>Evidence: Gorman SFI FM evidence package, Interviews with staff members</i></p> <p>The Company utilizes provincial growth and yield data and results of timber supply analysis.</p>
	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>	<p><i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, WCSIC website</i></p> <p>The Company supports forestry research, science, and technology through involvement WCSIC.</p> <p>Through the Timber Supply Review process, the Company participates in MoF forest health, productivity and ecosystem functions analysis that includes carbon research. Information from the WCSIC and other resources will be used to broaden the awareness of climate change and the associated impacts on forests, wildlife and biological diversity.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 6. Training and Education</b>	<i>Performance Measure 6.1 Program Participants shall require appropriate training of</i>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, review of training records</i>

	<i>personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Fiber Sourcing Standard.</i>	FM policy is posted and signed by Gorman’s Chief Forester and Co-CEO. The Environmental Policy is communicated to all Woodlands employees and contractors who shall conduct activities within the direction and intent of the Environmental Policy. The policy is posted in each office and on company websites. The commitment to the SFI Standard is stated within this SFMP. This commitment is also circulated as part of the SFI training / awareness sessions conducted with staff and contractors. Roles and responsibilities for achieving the SFI objectives and the EMS are defined in the Structure and Responsibility Section of the EMS manual.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>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.</i>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, WCSIC website</i>  The WCSIC Training Policy and Wood Producer Information Package identify criteria and delivery mechanisms for wood producers. The WCSIC website also contains links to sources of training material. Gorman conducts annual training to address continual improvement and informs contractors when appropriate training courses are available.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 7. Community Involvement and Landowner Outreach</b>	<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, labour, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.</i>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff members, WCSIC website</i>  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 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.</i>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff member</i>  Gorman conducts tours of its facilities and forest management from time to time. The last public presentation was in the Joe Rich area on March 3, 2016. Mill tours are ongoing, many politicians are toured though the mill to increase the profile of forestry in the Okanagan. The Wood Producer Information package is provided to private landowners during procurement operations with reference to Company websites for further information.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

	measure.	
	<i>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 Participants regarding practices that appear inconsistent with the SFI 2015-2019 Fiber Sourcing Standard principles and objectives.</i>	<i>Evidence: Gorman SFI FM evidence package, Interviews with staff member, WCSIC member roster, WCSIC website and inconsistent reporting line</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.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 8. Public Land Management Responsibilities</b>	<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: Gorman SFI FM evidence package, Interviews with all staff members, Gorman FSP &amp; SP's</i>  Participation in relevant land use planning processes and implementation committees such as the OSLRMP, RMAC, and KBHLP plans is ongoing. Updates / amendments to these plans occur on an as-needed basis (e.g. the recent Ungulate Winter Range and Caribou GAR Orders and amendments to the RHLPO). Annual updates to the FSP's are referred to stakeholders, the public, and other groups to provide the opportunity to comment on the location / scale /extent of planned forest management activities. Relevant public inquiries record (RF-07) was reviewed during the audit. The document and it records any interaction with the public from 2014-present. Approximately 60 records of interactions from ranchers/neighbors to First Nations, trappers and other stakeholder contact for 2016.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 9. Communications and Public Reporting</b>	<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: Gorman SFI FM evidence package, Interviews with Chief Forester, Reviewed Gorman's 2014 SFI Audit Summary Report</i>  The 2014 audit report is posted on the SFI Inc. website. The 2015 audit report will be compliant with requirements of the indicator.
	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: Gorman SFI FM evidence package, Interviews with Chief Forester, Reviewed Gorman's 2014 SFI Progress Report</i>  Gorman's EMS manual includes the role and responsibility of compiling and reporting the information for the SFI annual progress. The 2015 report was submitted in March, 2016 as required.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 10. Management Review and</b>	<i>Performance Measure 10.1. Program Participants shall establish a management review</i>	<i>Evidence: Review of Gorman's Sustainable Forest Management Program for SFI 2015-19, Interviews with Chief Forester, Gorman 2015 Internal Audit Report, , Gorman SFM policy, Gorman Annual</i>

<b>Continual Improvement</b>	<i>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>Management Review for SFI &amp; PEFC dated August 9, 2016</i>  Gorman undertakes Management Reviews as part of the EMS process. This includes a review of the SFI program and performance measures. Gorman's Management Review took place August 9, 2016. As part of the management review process, the management team recommends improvements and issues to be addressed for continual improvement.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas</b>	<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 – The Company is not sourcing outside Canada/US.
<b>Objective 12. Avoidance of Controversial Sources including Illegal Logging</b>	<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 – The Company is not sourcing outside Canada/US.
<b>Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws</b>	<i>Performance Measure 13.1. Program Participants shall avoid controversial sources and encourage socially sound practices.</i>	N/A – The Company is not sourcing outside Canada/US.

**Specific Good management practices are noted below:**

- Gorman’s Westbank mill yard staff have created and instructional safety/log delivery video which is clear and instructive and is watched by all truckers delivering logs to the scale yard. The video is delivered by iPad and is engaging and educational and well suited for workers that may have trouble with written procedures.
- The “Crossing Assurance Statement” document is an effective way to show due diligence for bridge crossings. The overall package for the bridge installation at 26 km on the East Side FSR was thorough and well done.
- The overall quality of GIS analysis and support at the Canoe office was high and included visual, wildlife and watershed analysis as well as design of user friendly windows for planning and silviculture foresters.

- The identification and protection of a potential First Nations trail in the Pennask area showed a strong commitment to identification and recognition of First Nations values on the land base.
- The Site Preparation Plan and Obligations checklist for one unit in the Shuswap Lake area was very clear and well documented. The checklist form showing contractors what they are doing specifically is an effective resource for their project delivery and completion.
- Visual management across both the Gorman Westbank and Canoe operations was noted to be good with numerous examples of the use of modelling and visual design.
- The unit design and retention of structure in WTP's and single trees was very good on two harvest units in the Trout area. The harvest design in one of the unit's contained a windrow and small number of wildlife slash piles for a long-term study of fur bearing animals.

## **Conclusion**

The Company has maintained conformance with the requirements of the SFI 2015-2019 Standards. The Certificate can be can be obtained by contacting Kerry Rouck of Gorman Bros. Lumber Ltd. at (250) 768-6220. More information on Gorman Bros. Lumber Ltd.'s Sustainable Forestry program can be found at: <http://www.gormanbrothers.com>.