

Tolko expands into Saskatchewan

The recently-announced Oriented Strand Board (OSB) mill, scheduled to be built in Northwestern Saskatchewan, is the result of nearly five years of planning. “Expansion into Saskatchewan is an opportunity to diversify geographically, which is consistent with our strategic planning objectives,” says Al Thorlakson, President & CEO of Tolko. “The project will be a world-class engineered wood products facility and will round out our involvement in the four western provinces.”

Tolko, Meadow Lake Tribal Council, Northwest Communities Wood Products and Crown Investments Corporation will own the new OSB mill. Nine First Nations communities make up the Meadow Lake Tribal Council: Clearwater River Dene, Buffalo River, Canoe Lake, English River, Flying Dust, Island Lake, Birch Narrows, Makwa Sahgaiehcan and Waterhen Lake. Northwest Communities Wood Products is a partnership of Beauval, Green Lake, Ile-a-la-Crosse, Patuanak and Pinehouse. Tolko will own 75% of the facility and will manage and operate the mill.

With a capacity of 600 million square feet (3/8” equivalent), the new mill will be designed and constructed to utilize both hardwood and softwood timber. Environmental assessments and site selection processes are underway with plant construction scheduled to begin in Spring 2002. The plant is expected to begin production in late 2003.

Bob Patterson, Tolko’s General Manager, Corporate Services, says the expansion makes the Company stronger. “The operation will create employment for people in northwestern Saskatchewan and provide Tolko with additional OSB for global markets. This is a ‘win-win’ situation for everyone.”



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Al Thorlaxson,
President & CEO

Exciting opportunity in Saskatchewan

On June 22, 2001, the Government of Saskatchewan announced its approval of Tolko's

application to

construct a \$200 million Oriented Strand Board (OSB) plant in northwest Saskatchewan. This announcement was the culmination of five years of development work by Tolko in Saskatchewan.

Tolko and its business partners, Meadow Lake Tribal Council (MLTC), Northwest Communities Wood Products Ltd. (NWC) and Crown Investments Corporation (CIC), will spend the next few months determining the most suitable site for the OSB plant, which will most likely be built near Meadow Lake, Saskatchewan. The

fact that Tolko was invited to participate in this project by the people who have become our business partners is significant. The leadership role undertaken by the Saskatchewan government in this project is also commendable. Its advancement of the interests of the Aboriginal communities in northern Saskatchewan and facilitation of their participation has enabled a unique and progressive alliance to be formed.

I view this project as a strategic window of opportunity for growth that will complement the technical and marketing skills we have developed in our OSB operation in High Prairie, Alberta. It will also

provide an opportunity for employee growth and advancement and open the door for new additions to Tolko's management team.

The new OSB plant is scheduled to begin production in late 2003. This new facility, combined with our other assets uniquely position Tolko as a leader in product and geographic diversification in western Canada.

We have built a strong foundation for growth at Tolko. This growth is supported by our commitment to Continuous Performance Improvement and our planning initiatives. These organizational foundations have enabled us to deal with both new opportunities and evolving challenges.

“ We have built a strong foundation for growth at Tolko ”

Manitoba walkers reach Vernon and head for Las Vegas

They're few, but they're focused. On January 1, 2001, five regular walkers from the Manitoba Solid Wood Division started tracking their weekly mileage with the goal of "walking" to Tolko's Vernon office, a distance of 1,611 kilometres. Walking an average of 85 to 90 km per week, they reached their goal in the third week in June 2001. They have decided to "take the scenic route home" via Las Vegas, Nevada, a total of 5,067 km.

"The idea came to a few of us who liked to walk during lunch," reports Rhonda Griffiths, Administrative Assistant at Tolko's Manitoba Solid Wood Division. "We wondered how far we walked every day. And we thought maybe we could get more people involved if we had a destination in mind. Now we invite all other Tolko Divisions to 'walk to The Pas.'"



Solid Wood Walking Club, L-R: Crystal Anderson, Rhonda Griffiths, Mary Lynn Kelly, Barbara Zimmer and Jackie Marlow

we invite all other Tolko Divisions to 'walk to The Pas'

Employee Opinion Surveys make a difference

Employee opinion surveys are again being conducted at all of Tolko's Business Units. Vyvian Burton, Manager, Employee Services, says the surveys are conducted every two years. "We began the surveys in 1996/97, and at that time we committed to re-surveying every two years. We ask for input on a variety of subjects that relate to workplace satisfaction. The survey is an important measurement of corporate values and employee morale."

Once the results of the surveys have been compiled, focus groups are held at each Business Unit. At these focus groups, employees are asked to provide input on specific questions. This input is then presented to the Business Unit's management team.

"The results from the focus groups provide the foundation for the management team to address any issues that have been identified," says Vyvian. "Each Business Unit Manager is also asked to communicate the action plans that emerge from the survey results."



Vyvian Burton, Manager, Employee Services

Surveys and focus groups have been completed at High Level Lumber Division and Quest Wood Division. Surveys have been conducted at Louis Creek, Manitoba Kraft Papers and Vernon Office with focus groups scheduled for August 2001. Nicola Valley Division, Lavington Planer Mill, High Prairie OSB Division, Hefley Creek Plywood Division and Manitoba Solid Wood & Woodlands Division will have their surveys and focus groups underway in Fall 2001. "Our employee opinion survey is consistent with our commitment to our corporate value of Open Communication," concludes Vyvian. "It allows us to make positive changes in our work environments and address employees' concerns."

President's Safety Award presented to Lavington Division

On June 6, 2001, Al Thorlakson, Tolko's President & CEO, presented the President's Safety Award to Lavington Planer Division. The employees at the Division posted an outstanding record with zero lost time accidents throughout the year.

Al complimented the employees for their commitment to safety and reminded them that outstanding safety performance is achievable when everyone works together with the same goal in mind. "A spirit of cooperation is evident at Lavington, and this is substantiated by the fact that Lavington has won the President's Safety Award eight times out of the twelve years that it has been presented. The safety records at Lavington are remarkable, and I continue to use these outstanding achievements as a benchmark for our other Business Units to follow."

Al thanked the Safety Committee members for their commitment, their willingness to volunteer their time and for setting high safety standards.

After the presentation to the Safety Committee, crew talks were held for each shift. Each employee received a folding beach chair as a token of Tolko's appreciation for a job well done.



Al Thorlakson presents the award to the Safety Committee

Forest education workshop proves strength in numbers

They come from all regions in the province and represent diverse organizations. But get them in a room together, and they practically buzz with the energy of their shared commitment: promoting forest education in BC.

That's what happened on June 5, 2001, in Kelowna, BC, at a working conference organized by four dedicated forest educators: Theresa White (Interior Lumber Manufacturers' Association), Debbie Sluggett (Tolko Industries, Bell Pole Co., Downie, Louisiana-Pacific and Revelstoke Community Forest Corp.), Jeannie Steele (Riverside Forest Products) and Françoise Sveistrup (Weyerhaeuser). Close to 60 representatives from industry, government, public schools, post-secondary institutions and non-profit organizations participated in the session to shape a vision for the future of forest education.

Building on the momentum from the first Forest Educators' Conference at Silver Star Resort in 2000, the objectives for this second annual conference included defining the structure of a Task Force to coordinate forest education in BC and setting realistic, 12-month expectations for such a group. "The task seemed daunting at first, because there were so many diverse perspectives represented," says Tamar Sivucha, Tolko Communications Coordinator.



Conference attendees develop education strategies in working groups

The variety of backgrounds created lively debate, but it did not slow the group's progress. A volunteer steering committee has already started implementing the tasks outlined at the conference, the most important of which is to facilitate the formation of the Forest Education Task Force within the next three months. "We can't lose any time in implementing our plan," adds Tamar. "Forest education is critical to the future of our industry - today's students are tomorrow's consumers and voters."

"I've always felt fortunate to be part of an energetic team of forest educators in the southern Interior and to be supported at Tolko by Debbie Sluggett," says Tamar. "But I

was excited to meet so many others from around BC with the same goals. This conference opened my eyes to networking and resource-sharing opportunities. I feel confident that this coalition will make a real difference to forest education in BC."

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