

Meadow Lake OSB holds official groundbreaking ceremony



Premier Lorne Calvert is greeted by Al Thorlakson, Tolko's President & CEO

Today we celebrate
 an exciting new forest
 initiative that will
 bring additional
 economic prosperity
 and jobs to Meadow Lake
 and northwest Saskatchewan.

To officially mark the commencement of construction of the Meadow Lake OSB Limited Partnership's (the Partnership) Oriented Strand Board (OSB) mill, a groundbreaking ceremony was held on July 26, 2002 at the mill site near Meadow Lake, Saskatchewan.

Dave Knight, Regional Manager, Woodlands, says the groundbreaking ceremony was a chance to recognize the collaborative efforts of all stakeholders. "The support and assistance we received from many people has been instrumental to the success of the project. The government of Saskatchewan, Meadow Lake town officials, the RM of Meadow Lake, the local forest industry and the people of northwestern Saskatchewan all provided valuable assistance and encouragement."

The Honourable Lorne Calvert, Premier of Saskatchewan, and many government Ministers attended the ceremony. Said Calvert, "Today we celebrate an exciting new forest initiative that will bring additional economic prosperity and jobs to Meadow Lake and northwest Saskatchewan. This OSB plant is the latest milestone in the diversification and expansion of our dynamic forest industry."

The ceremonies were opened with an Aboriginal prayer ceremony and were followed by traditional drumming and singing. William Ratfoot, Elders Liaison, and Elders Ben LaChance, Baptiste Martel, Harry Blackbird, George Laroque and Armand Bekkattla led the prayer and blessing. The Little Island Cree singers, and dancers from Loon Lake and Flying Dust completed the ceremonial opening by leading the dignitaries to the podium.



Joey Weesakese



(L-R) Carolyn Morin, Desiree Lambert, Tamara Lambert

John Thorlakson, President of the Partnership, said they intend to build the most efficient, cost-effective OSB plant in the world. "When the plant is completed it will provide approximately 250 full-time jobs in manufacturing and associated woodlands activities, and will contribute in excess of \$20 million to the local economy."

The ceremony concluded as President John Thorlakson, Premier Lorne Calvert, Gabe Fournier, Mayor of Meadow Lake, and the Honourable Maynard Sonntag planted four northwest poplar trees and were presented with shovels to commemorate the event.

At the luncheon, which followed the on-site ceremony, the Honourable Maynard Sonntag, the Honourable Buckley Belanger, Mayor Gabe Fournier and representatives of the Partnership all expressed their enthusiasm for this exciting new project.



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Return to Tolko Industries, Ltd.
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Trade dispute with US needs speedy resolution

The ongoing trade dispute with the US and its economic ramifications, has unquestionably resulted in the most difficult time for the solid wood sector that I have experienced. Unfolding events include the recent investigation by the US into alleged subsidies in other remanufactured wood products. This investigation is primarily a result of distortions and unintended consequences in the marketplace caused by the combined 27.22% countervail duty and anti-dumping penalty. Secondary manufacturers are paying duty on the raw lumber material as well as the value-added in the remanufacturing process. In my view the remanufacturers are being unfairly penalized, and the means and mechanisms for involving this sector are totally illogical and unfair.

I have a genuine concern that without an expedited solution to normalize this situation the Canadian remanufacturers won't be able to survive, and there will be huge Canadian market distortions. If equitability for remanufacturers under the trade dispute isn't achieved quickly, then I believe protracted and harmful consequences will result. Unfortunately, it appears that all levels of Canadian government are unwilling to act in anticipation of this consequence but will only act in reaction to the result, and the long-term damage will be done before the government will have the political mandate to intervene.

I am encouraged by the performance of all Tolko's operations. They are operating at best-ever performance, and I am hopeful that the damage of this trade dispute to Tolko will be mitigated by this outstanding achievement. As well, our product and geographic diversification helps sustain the financial challenges arising from the lumber side of our business.

At the beginning of 2002 our Business Unit managers challenged themselves to pay even closer attention to safety and to implement measures to achieve improved outcomes. Results have been excellent, with improved safety performance at



Al Thorlakson, President & CEO

each Business Unit. Specifically, I would like to compliment Lavington Planer Mill for working two years with no lost time accidents and Manitoba Kraft Papers for achieving 500,000 hours accident free. These safety records are unprecedented at Tolko and I commend the management and employees at these Business Units for their commitment to working safely. Well done!

The progress of the Meadow Lake OSB Limited Partnership's project team is excellent. We are ahead of schedule and on budget, and the partnership is committed to building a world-class facility and making a positive economic contribution to northwestern Saskatchewan. You can read more about the groundbreaking ceremony on the front page and learn about some of our Aboriginal training initiatives on page 3.

The months ahead are filled with challenges and uncertainty, but I am confident that these tough times will create opportunities for Tolko and its employees to work together to achieve our shared goals.

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by the performance
of all Tolko's operations.

Innovative Forest Management Services Agreement signed

North West Communities Wood Products Ltd. (NWC) and Meadow Lake OSB Limited Partnership recently signed an innovative Forest Management Services Agreement which provides NWC with long-term forest management services.

As part of the agreement, the Partnership will provide, among other items, advice and direction to NWC on initial land impact assessments, public consultation, operating plans, harvesting and transportation.

"This agreement provides us with top-notch forestry management services at an affordable level", says Bill Hatton, Owner's Representative of NWC. "Having access to such high caliber talent and technology will help our organization take a major step forward. This agreement is a positive example of the company's commitment to Aboriginal partnerships in northwestern Saskatchewan."

Dave Knight, Regional Manager, Woodlands, agrees. "Sustainable development of the North requires a new approach to cost-effective forest management. High cost and high overhead operations are not sustainable. We believe we can add value to NWC and look forward to working with them. By working together, we can all learn and prosper from the development of our sustainable forest lands."



Employee Profile



Bev Livingstone (R) was awarded CPA Student of the Year award

CPA Student of the Year

Louis Creek employee, Beverley Livingstone, was recently awarded the Canadian Payroll Association (CPA) Student of the Year Award for 2002. It is awarded to the student who achieves the highest overall examination marks in the CPA three compulsory payroll courses and completed Advanced Payroll in 2001. In a field of 4,600 students from all across Canada that is quite an accomplishment.

As part of the award, the CPA treated Beverley to an all-expense-paid trip to Calgary, Alberta to attend their Annual Conference and Trade show. In addition to receiving her award she participated in several payroll and human resources classes, and attended the trade show to view the latest technology in the payroll world.

Beverley has been employed at Louis Creek Division for 12 years. She began as receptionist, then worked for a number of years as production clerk and accounting assistant. In 1999 she took over the position of Payroll/HR Administrator and began working on her payroll designation. In addition to the designation of Payroll Manager (PM), which she will receive this year, she also holds a designation of Associate Accounting Technologist (AAT) through the CMA. She is presently enrolled in the Open Learning Agency with a view toward getting her Bachelor of Arts.

Over the past twenty years, Beverley has taken one course at a time, all through correspondence. "There are so many institutions that offer programs via correspondence or on the internet," she notes. "It is possible to receive almost any degree without the need to spend hours in a classroom."

Circular Format Update

In response to comments from you, our readers, we are continually improving our company newsletter. Hopefully you all approve of the brighter, more colourful Circular this quarter. With the advances in technology, we are now able to use a limited amount of colour while still maintaining a sharp eye on austerity. We have also been receiving requests to receive the Circular in electronic form. If you would prefer your future issues delivered via e-mail, please send your information to sheila_catlin@tolko.com

Training initiative underway

In order to maximize the employment possibilities for its nine First Nations members, Meadow Lake Tribal Council (MLTC) has embarked on an extensive training program. The objective of the program is to prepare young, unemployed First Nations members to obtain and maintain entry-level jobs in the Meadow Lake Oriented Strand Board (OSB) plant.

With assistance from Human Resource Development Canada, Meadow Lake OSB Limited Partnership (MLOSB) and Tolko's High Prairie OSB Division, potential candidates are being identified to participate in the student work program. Jim Hurd, Mill Support Services Coordinator at MLOSB, says the candidates are selected by MLTC and must go through an intensive six-week Life Skills program prior to on-the-job experience at Tolko's High Prairie Division. "The Life Skills program provides the potential employees with problem solving and conflict resolution skills, job search tips, money management, math skills, and safety principles related to the forest industry. These skills prepare them for some of the challenges they will face during the next twelve weeks of training."



Students enjoy a break from the classroom



Back (L-R) Shane Gladue, Charmaine Mirasty, Cameron Bekkattla, Richard Opikokew, Deanna McIntyre, Tim Crookedneck. Front (L-R) Chasity Fiddler, Kyle Fineblanket, Dale Sutherland

The first candidates began their twelve-week training period at High Prairie on September 3, 2002 to gain their practical experience in an OSB plant. Two additional Life Skills training programs have begun at Meadow Lake and Buffalo Narrows. Once the new candidates have completed this program, MLOSB and High Prairie OSB will assist MLTC to select individuals to complete the 12-week practicum.

Jim concluded, "We work closely with MLTC to select the appropriate candidates. We are committed to providing our First Nations partners with opportunities to be successful, and we will continue working with them to ensure we provide whatever assistance we can."

Defining open communication

Many of us are aware of Tolko's corporate values, but do we fully understand and appreciate exactly what they mean to us on a daily basis? For example, one of Tolko's values is Open Communication. In our corporate literature we state that 'Open communication will enhance job satisfaction and performance.' The question many of us may have asked ourselves is, "How will open communication affect my job satisfaction and performance?"

How will
open communication
affect my job satisfaction
and performance?

It is difficult to fully capture exactly what corporate values mean in one sentence; Open communication has infinite definitions. The following assumptions were the basis for the adoption of open communication as a corporate value:

Your job will be more satisfying if:

- your supervisor provides you with constructive and timely feedback
- you are free to respectfully express your ideas and opinions without fear of reprisal
- communication results in action, not just more words
- you are recognized for your input to the success of the Company, from all levels of management
- you have been able to state your goals and are given the opportunities to work towards them

You will be able to enhance job performance if:

- you have all the information necessary to do your job including industry news, Corporate information and departmental information relevant to your position
- the working environment is supportive and allows for everyone to participate in problem solving and idea generation
- you receive adequate training and constant feedback for areas of improvement and areas of excellence
- goals and objectives are clearly defined and monitored - you know what is expected of you, how to accomplish it, and how your progress has been

If open communication does not exist, then enhanced job satisfaction and performance are at risk. However, while we try to minimize barriers to communication, respect for sensitive corporate information and an individual's privacy must be appreciated. There are times when the flow of information may be delayed, or held back completely, in the respect of such privacy. There should be no other barriers to the sharing of information.

If you are not experiencing enhanced job satisfaction and performance, ask yourself what is missing? Once you've identified the missing element, ask for it. Ask your supervisor, his / her supervisor, or speak to someone in Employee Services. If open communication does not exist in your department, perhaps it can start with you?

Tolko recognizes partnership

In conjunction with its Quarterly Business Review held in Victoria, BC on September 4-5, 2002, Tolko recognized its 17-year partnership with the Forest Engineering Research Institute of Canada (FERIC).

With the theme of "customer oriented and results focused", Tolko hosted a social evening and dinner, with guests from both FERIC and the BC provincial government in attendance.



Tolko presented recognition gifts to FERIC. (L-R) Marv Clark, Don Banks, Alex Sinclair, Al Thorlakson

During the formal portion of the evening, Alex Sinclair, Vice President of FERIC's Western division,

spoke about FERIC's mission statement and how the organization endeavours to meet the needs of its members. "Part of FERIC's mission statement is to provide its members with knowledge and technology to conduct cost competitive, quality operations that respect the forest environment", said Alex. "We go well beyond providing services and take an active role in helping our members to implement the results of our research projects and to apply the knowledge and technology." Our goal is to spend 50% on technology and 50% on implementation." Alex went on to say, "FERIC has a strong core of expertise in logging, log hauling and silvicultural operations. We are pleased to be in partnership with Tolko to conduct research projects, undertake field tests and help apply and implement new knowledge and technology."

Don Banks, Tolko Plant Manager, Lavington, said the partnership with FERIC has proven benefits. "In the late 1980's we worked with FERIC to convince the provincial government that logs 20 meters in length could be safely hauled on the highway. Government

approval meant the removal of this roadblock and resulted in adoption of roadside logging in the BC Interior. This regulation change produced significant changes to our delivered log costs and allowed better lumber conversion decisions. Many other projects have been completed since then and we look forward to what the future holds. Tolko and FERIC are both customer oriented and results focused and I believe this similar philosophy created our initial partnership and allows it to flourish today."

On behalf of Tolko, Al Thorlakson, President and CEO, presented Alex and Marv Clark, Research Director with FERIC, with wooden carvings.



Tom Christensen, MLA Okanagan Vernon (L) and Mike Harkies, Tolko General Manager Southern Interior Operations

President's Safety Award presented to Lavington Division

Tolko's Lavington Planer Mill (LPM) Division is setting the benchmark for success. In June 2002, LPM received the President's Safety Award for the second consecutive year, and for the eighth time out of the twelve years it has been presented.

Don Banks, Plant Manager at Lavington, says he is extremely proud of this achievement. "Much of the credit for receiving the award goes to the employees, who make a conscious choice to work safely each day."

In order to select a winner for the President's Safety Award, each of Tolko's Business Units are evaluated based on several factors. These include accident frequency, severity and a safety audit. The safety audit encompasses overall safety attitude, effectiveness of the Safety Committee, accident investigation and follow-up procedures, and the commitment of all the Business Unit's employees to a safe working environment.

The President's Safety Award consists of an engraved award for the Division, posters for display throughout the plant and a President's Safety Award gift for each employee. Al Thorlakson, Tolko's President & CEO, also visits the plant to offer congratulatory speeches to the crews.

Don concluded, "Tolko is committed to safety and places a priority on maintaining a safe work environment for all people involved with the company. It is gratifying to receive this tangible recognition of our Division's accomplishment."



The Safety Committee accept the President's Safety Award on behalf of all LPM employees. Back L-R: Murray Caton, Don Kitchner, Mike Harkies, Gary Tessaro, Steve Burns. Front L-R: Tom Bancroft, Colin Rouck, Kim Plumridge, CEO Al Thorlakson, James Gray, Derek Nell, LPM Manager Don Banks, and Ron Shunter.



LPM Plant Manager Don Banks congratulates Safety Committee Chairman, Martin Kuling

Two Year Safety Record

On August 8, 2002, Lavington Planer Mill Division (LPM) employees set a new record by becoming the first Tolko manufacturing operation to achieve two years of operation with no lost-time accidents.

"Everybody at the Division was involved," said Don Banks, LPM Plant Manager. "That's two hundred and twenty hourly and salaried employees who worked together to make safety a priority."

Tolko CEO Al Thorlakson congratulated everyone at the Business Unit on reaching the two-year accident-free milestone. "Lavington Division continues to set the example for excellence in safety."

In recognition of their achievement, employees will each receive a commemorative gift.

BC operations join Power Smart Challenge

Tolko has partnered with BC Hydro in its Power Smart Challenge to improve the energy efficiency of its five manufacturing divisions in British Columbia. The goal of the program is to consume five percent less energy per unit of production.

Over the coming months, Power Smart (PS) will be doing an energy audit at each mill in BC. They will be auditing the high consumption equipment, such as kilns, fans and compressors, along with discretionary use items, such as lights and air conditioners.

The PS Challenge will initially run for six months: October 2002 to March 2003. Each month there will be a target to beat the previous year's baseline by five per cent. Each Division will be monitoring improvements and actively seeking suggestions from all employees. Results for each Division will be communicated in a variety of ways so that "best practices" can be shared and adopted throughout our business.

Jim Baskerville, Area Manager at Nicola Valley Division says everyone has a role in stimulating savings. "Reporting air leaks and turning off air conditioners, improving production efficiencies,

Jim Baskerville,
Area Manager
Nicola Valley
Division



and helping to implement large efficiency projects will help us to achieve our objectives."

The success of the program will be highly dependent on the participation of all employees. Everyone is being encouraged to become more aware of energy consumption and to be innovative with ideas of how to decrease its use.

Tolko's President & CEO Al Thorlakson recognizes employees' support as critical in reaching the program's goal. "It has been proven that every little bit of conservation adds up to significant efficiencies over the long term."

Particularly given today's market, cost saving initiatives such as this will help the company remain competitive and conserve resources. The implementation of this joint initiative aligns with Tolko's commitment to continued strategic growth while maintaining its responsibility to the environment.



New playground equipment popular

The new playground equipment at Hefley Creek Elementary School is receiving rave reviews from its users. The Parent Auxiliary Council at the school was successful in raising a portion of the funds for the purchase of the balancing beam, climbing matrix and bounce buttons, and approached Tolko's Hefley Creek Division to provide the balance of the money. Judging from the response received from the students, the money was well spent.

Kids play and learn at forestry camp

Summer 2002 included another great four weeks for Tillicum Forestry Camp in Vernon, British Columbia.



(Above) Tillicum Camp instructor Eva Bogdan teaches kids how to identify different trees. (Right) Instructor Hiapro Poirier liked having the ILA Forestry Education van to help teach the summer campers the history of logging

The Boys and Girls Club of Vernon organize and administer the forest education camp each year with the financial support of Tolko Industries, Riverside Forest Products and Bell Pole. The site includes a fully serviced lodge and about two acres of forested land.

The program's popularity has steadily grown over the years; the entire program was full within one week of taking registrations in May 2002. In fact, the Camp's solid reputation had people calling in February to inquire about the program.

The themes and curriculum of this camp have been researched and developed over the past few years. This summer the theme was "Fantastic Forests."

The weekly program was packed with fun and learning for the children aged five to twelve. Tree Twister, Predator-Prey, and Bear-Bug-Frog were just a few of the games adapted to a forest focus that the 56 participants got to play. Other activities included hikes, field trips to the regional silviculture and research centres, bug hunts, and visits from Tilly the Tillicum Leprechaun. One addition to the program this year was the weekly visits from the Forestry Education van, sponsored by the Interior Logging Association. The mobile learning resource offers a visual history of the industry, information on species, and a surprising array of everyday products that are made from parts of trees.



Tillicum Instructor and teacher Hiapro Poirier sees the program as a valuable learning experience. "Most of the activities are hands-on, which many of the children enjoy," said Poirier.

"Kids learn about forest ecosystems and the role of forestry in BC in a fun, activity-packed program," Instructor Eva Bogdan agreed. "As well as about the forest's diversity of values."

"I enjoyed Tillicum camp as much as the kids did!" added Bogdan.

High Level Hosts Open House

More than six hundred people came out to High Level (HL) Lumber Division's Open House on August 22.

"This event is a great way to show the community what we're all about," says HL Secretary Lauren Wouters.

"It is our way of thanking the local people, a way of being part of the community," adds General Manager Rob Layton. "Everyone involved made our third annual Open House a success."

The daylong family event offered entertainment for the whole family, including yard and mill tours, tree-coring, helicopter rides, and games.

A big draw was the pie-throwing contest. Managers and supervisors served as the targets: Rob Layton, Fred Dupas, Harry Clarke Jr., Mike Dextrase, Bruce Avery, and Tom Hoffman. "Special mention to Fred Dupas who had the most pies tossed at him!" says Will Horbal, Tolko's HL West Area Superintendent. More than three hundred and forty pies were thrown. Promoted as a 50/50, half the proceeds went to the local New Community Hall project. The other half went to winner Stan Latos of HL Division's electrical department.

<<
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Another popular activity was a ball toss, where the speed was measured by radar. Wendy Lonson-Hoffman, wife of Tom Hoffman, Woodlands Manager, performed as clown and face painter, turning children into elaborate animal portraits.

To further improve on the event, HL conducted a survey of this year's attendees. The comments confirmed that everyone enjoys the event and applaud the organizers for doing a great job. The results will be further reviewed and considered in the planning of the 2003 Open House.



Harry Clarke Jr. (L) and Mike Dextrase serve as targets for pie throwers



High Level Open House had fun for all ages with (above) face painting, clowns, balloons, and (below) entertainment like break dancing



Klein and Layton Tee Off

Alberta Premier Ralph Klein teed off with Rob Layton, Tolko General Manager - Prairie Region during a golf tournament in High Level last month.

The golf tournament was a local Progressive Conservative Party fund-raiser, with over one hundred local and provincial government representatives, business people, and others joining in the fun.

The main sponsors of the event were Tolko Industries and Footner Forest Products. Over \$20,000 was raised, half of which was donated to the High Level Palliative Care Society, the same group that HL donated its millennium funds to in 2000.

Klein enjoyed his round of golf and vowed to return next year, should the tournament become an annual event. Joining Klein and Layton on the round was Peter Grant Sr., President and CEO of Grant Forest Products, and Allen Ainsworth, President of Ainsworth Lumber Co. Footner Forest Products is a joint venture of Ainsworth Lumber Co. and Grant Forest Products.

(L - R) Allen Ainsworth, Rob Layton, Premier Ralph Klein and Peter Grant Sr. team up for a round of golf

High Prairie maintenance shutdown successful

The efforts of everyone involved were instrumental in the successful maintenance shutdown at Tolko's High Prairie Division.

During the ten and one-half day shutdown, 44,600 man-hours were worked, and more importantly no lost time accidents were experienced. This is equivalent to two months of regular operations in the mill. Employees at the mill are rightfully proud of this achievement, especially considering in excess of 300 people each day were on site. This focus on safety is exemplary.

The High Prairie team did excellent work in planning and implementing the assortment of jobs required for the shutdown, which resulted in an organized, on time schedule to complete the work. The maintenance work was originally

scheduled over 14 days, but due to everyone's focused efforts the work was completed in ten and one-half days.

Greg Rose, Mill Support Services Coordinator, says one of the strongest keys to the success revolved around the efforts in building lines of communication. "We communicated our intentions with everyone," noted Greg. "The planning stages, the opening presentations to the whole work force, the daily progress reporting and follow-ups, the pre-job safety meetings and being available to support the workers in their daily tasks, all contributed to a successful shutdown."

Kraft Papers Conserves Energy

Tolko Manitoba Kraft Papers has successfully implemented the burning of waste oil to replace 'Bunker C' as the primary fuel.

Waste oil is now being used to produce 120 tonnes of calcium oxide (CaO) per day from the lime kiln. Tolko will burn an estimated ten million litres of waste oil in 2003 to replace all 'Bunker C', the heavy fuel oil traditionally used. Not only is this an application to conserve energy, it also provides a safe, reliable way to dispose of waste oil while supporting Manitoba Conservation initiatives.

In addition to the environmental benefits, it was discovered that the kiln actually operated better when burning waste oil than when burning 'Bunker C'. Lime availability improved by five per cent from 83.6% to 88.4% with less variability. Hot end kiln temperatures were reduced from 1215° to 1165° because of better flame characteristics. These improvements combined to significantly reduce the total energy required to support equivalent pulp production rates in the mill.

In using ten million litres of waste oil for the kiln, compared to an equivalent amount of Bunker C, the mill will save \$500,000 per year. "The pulp and paper industry is changing," said Marvin McKay, Process Specialist of Tolko Manitoba Kraft Papers. "While the focus used to be solely on production, the industry is now much more aware of energy costs and the implications to the environment."

"The Division began looking for alternate, more cost effective fuels in 1999," McKay explained. "We began testing the option of using waste oil two years ago." The Division received a license from Manitoba Conservation in April 2000 to burn the waste oil from other companies in addition to what was generated internally through Manitoba Kraft Paper's operations.

Because the kiln was always set up to burn Bunker C or light oil, no changes to the operation of the kiln were required to burn waste oil. The same pumps, pipes and feed system designed for burning light oil were used for the waste oil system. A new larger waste oil tank was built and a heat set specifically for wasted oil was added.

Waste oil is delivered to the site by bulk tank truck where it is off loaded through filters into the waste oil tank. The new waste oil tank ties into the existing light oil system that can be used for firing the kiln. The same burner tip and controls are used for either fuel.

Waste oil is a recycle product, therefore operators have to clean strainers more frequently and the burner is purged once per shift. However, this can usually be done without stopping kiln production.

Tolko Manitoba Kraft Papers has submitted this innovative idea for energy conservation to the Pulp and Paper Technical Association of Canada (PAPTAC). The PAPTAC Energy Committee selects the recipients of the Energy Conservation Opportunity Award. The Award is presented on an annual basis to the Canadian pulp, paper or board mill that submits the best example of an energy conservation opportunity or a successfully implemented project. The winners will be presented with a commemorative scroll at the PAPTAC Annual General Meeting in February 2003.

Tolko and Cree Nation Begin New Partnership

Chemawawin Cree Nation (CCN) and Tolko's Manitoba Solid Wood Division signed a new partnership agreement in July 2002 with support from Manitoba Conservation.

The partnership involves managing and harvesting timber on land within Tolko's current Forest Management License Area. The agreement was signed in time for the summer harvest operations and continues to the end of the year. At that time, the parties will meet to discuss details of extending the arrangement. The goals include offering community-based training and employment opportunities, in addition to incorporating Traditional Ecological Knowledge.



(L-R) Jeff Sarenchuk, Resource Technician, Swampy Cree Tribal Council, Albert Packo, Councillor, Chemawawin Cree Nation, Floyd George, Councillor, Chemawawin Cree Nation, Frank Turner, Swampy Cree Tribal Council, Blair Sullivan, Woodlands Manager Tolko, Chief Clarence Easter, Chemawawin Cree Nation and Dave Neufeld, Woodlands Superintendent Tolko

"With this agreement, we look forward to a new working relationship with Tolko and the Province of Manitoba," said Chief Clarence Easter of CCN. "One that recognizes First Nations as an important partner in the sharing and management of our local resources."

"This is a valuable relationship for Chemawawin Cree Nation, Tolko, and the community. We are very pleased that we were able to reach this agreement," said Blair Sullivan, Manager of Tolko Manitoba Woodlands. "This partnership is another positive example of how industry and local First Nations can work together to help each other."

"By sharing knowledge and recognizing each other's interests, we can all learn and benefit," agreed Chief Easter.

Word of the arrangement has spread among Aboriginal communities, stimulating inquiries on the progress of the partnership. "We are hearing from other Aboriginal groups expressing interest in developing partnerships," said Sullivan. "This could be the beginning of many cooperative agreements."

CCN has harvested timber in this northern Interlake area of Central Manitoba for over twenty years. Tolko's Manitoba Solid Wood Division, which includes woodland activities, has operated in The Pas since 1997 along with the Manitoba Kraft Paper Division. Last year, the Manitoba Division awarded more than \$16.5 million in contracts to First Nation businesses for woodland activities.

Kraft Papers sets safety record

The Pas, Manitoba - On September 3, 2002, Tolko's Kraft Papers Business Unit achieved 280 days and 500,000+ hours of time worked without a loss time accident.



Kraft Papers employees pose for a photo recognizing their achievement

This is the best accident free performance that the Business Unit has achieved in its 32-year history.

Greg Wazny, General Manager, Kraft Papers extended his congratulations and personal appreciation to all the Pulp & Paper employees who have worked safely since November 27, 2001 and contributed to the achievement of this milestone.

"By continuing to focus on providing safe working conditions and taking personal responsibility for our own safe work practices, we can continue to decrease our first aid and medical aid frequency and head toward our next milestone of 1,000,000 hours of accident free work," said Greg.

A special recognition gift for each employee will commemorate this significant achievement.



Tolko continues commitment to sustainability and the environment

The Woodlands of Tolko's Quest Wood Products Division recently had its Environmental Management System (EMS) endorsed to the international ISO14001 standard of environmental management.

This achievement is part of Tolko's ongoing commitment to its environmental policy and sustainability strategy, which are based on the triple bottom line philosophy of balancing economic, environmental and social responsibility. As part of that triple bottom line, their environmental commitment is to... "the well-being of future generations through responsible environmental performance". The EMS is a tool by which internal parties and independent, third party auditors can monitor environmental performance and continual improvement.

Quest's recent environmental audits have shown exceptional performance. Both the ISO14001 registration audit and two recent Forest Practices Board audits have resulted in zero non-conformances. "We are proud of this verification of our achievements in the sustainable management of our natural resources," said Woodlands Manager Dave Bickerton. "This is a result of the diligence and competence of Quest's employees, contractors and consultants who all embrace Tolko's corporate values and goals.

In addition to validating the Woodland's practices, a recent sawmill audit determined that more than 99% of the raw fibre entering the mill is fully utilized. Sawdust, shavings and bark are not left to waste, but recycled for use elsewhere in the operation.

Recognition to the ISO 14001 standard is not the end of the certification goals for Quest, or Tolko. The next step for the Division to fulfill its environmental



Contractors (above) and some of the many employees at Quest, (R) who were instrumental in the successful ISO14001 audit. Back (L-R) Tom Gilmore, Operations Forester - Timber, Shelley Palik, Woodlands summer student, Cindy Thomas, Receptionist, Marina Browne, Divisional Controller, Quinton Hayward - Woodlands summer student Front (L-R) Tanya Matula - Front Desk (part time) and Shipping Clerk, Dave Bickerton, Woodlands Manager, Gerri Lust, Payroll, Wayne Boundreau, Divisional Forester



commitment is to gain certification to an additional, internationally recognized, forest certification standard, such as CSA (Canada) or SFI (United States). Whichever accreditation is chosen, the process will include recognition of community values-the "social responsibility" of the company's triple bottom line philosophy. Tolko has committed to have all of its Woodlands departments further certified by the end of 2004.

Thompson Woodlands gains CSA forestry certification

Tolko Industries Ltd. - Louis Creek Division has achieved certification of its Sustainable Forest Management (SFM) System to an internationally recognized standard.

The Quality Management Institute (QMI) granted the Division the Canadian Standards Association (CSA) national certificate for the successful completion of a SFM Plan to the CAN/CSA Z809 standard. Meeting this certification standard involved extensive planning with public participation,



Dennis Farquharson, Silviculture Forester (L) and Vern Parkstrom, Louis Creek Area Manager discuss the implications of CSA certification

adherence to national sustainability standards, completing an independent third party audit, and commitment towards continual improvement.

"We took a unique approach to the registration process," said Michael Bragg, Divisional Forester of Thompson Woodlands. "Begun in 1999, the plan was developed for the entire Timber Supply Area by an advisory group made up of all the licensees and the public."

The SFM system includes a set of values, indicators and local objectives that address environmental, economic and social aspects of forest management.

"This process will be a great tool to guide us in our commitment to continual improvement of our environmental stewardship," agreed John Dunford, Tolko Sustainability Manager. "It also assures our customers and community stakeholders that we are actively pursuing a balanced approach to the use of our shared resources."

Tolko's Thompson Woodlands also retained certification of its environmental management system (EMS) to the ISO 14001 standard, which it first earned in 2001. These certifications are part of Tolko's commitment to have all of its woodlands departments registered to a recognized standard that involves third party auditing by December 31, 2002.



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