



Tolko Industries Ltd.  
Sustainable Forest Management System  
Thompson-Nicola Woodlands (Merritt)

## Audit Coverage

- During the period July 21, 2008 through July 23, 2008 inclusive, QMI-SAI Global conducted the annual surveillance audit of Thompson-Nicola Woodlands (Merritt) Sustainable Forest Management System to the CAN/CSA Z809 Standard. The audit took 3.0 audit person-days to complete.
- The Audit Team consisted of Ken Hall RFT., EMS(LA), CEA(SFM). as the Lead auditor and David Barker RPF, EMS(LA).
- The audit assessed pre and post harvest operations in the Thompson-Nicola Woodlands (Merritt) operating area. This entailed site visits with Tolko Thompson-Nicola Woodlands staff and members of the Public Advisory Group (PAG), verifying conformance with operational planning requirements and confirming the status of SFM Indicator performance for forest related Indicators.
- SFM Indicator performance was assessed through interviews with staff at the Thompson-Nicola Woodlands (Merritt) office and a review of the applicable SFM Indicator documentation.

## Background

- The Thompson-Nicola Woodlands (Merritt) SFM system has been registered to the CAN/CSA Z809 Standard since 2003. This registration is supported by an Environmental Management System registered to the ISO 14001 Standard since 2002.
- The Thompson-Nicola Woodlands (Merritt) SFM system and EMS system have undergone annual 3rd party surveillance audits by QMI-SAI Global since the date of initial registration.
- The Thompson-Nicola Woodlands (Merritt) SFM Define Forest Area is located in the Merritt Timber Supply Area.



Photo #1: Multiple age classes of the working forest. Old growth fir vets are retained along a gully as a potential seed source and for bank stability. Plantation (centre left) is health and free from any signs of MPB attack. Trees have been felled and bunched and are waiting to be skidded to roadside ((lower right).

## Positive Aspects

The Audit Team observed the following positive management practices:

- Culturally modified trees are being identified and marked in the field by First Nation personnel. This involves First Nations in forest management and develops some economic activity.
- The organization and its Contractors are becoming more flexible in their operations. For example if small portions of the block need to be changed to improve operational performance, the changes are undertaken. The organizations staff are also broadening their responsibilities.
- Contractor timesheet books for operators have a pre start checklist that requires the operator to inspect and sign off on his equipment prior to starting the shift including the inspection of fire tools and fire extinguishers.

## Areas of Non-conformance

There were no areas of non conformance identified during the course of this audit.

## Audit Recommendation

The Tolko Thompson Nicola Woodlands (Merritt) is recommended for continued registration to CAN/CSA Z809:2002 Standard.



Photo #2: Felled timber has been bunched and is ready to be skidded to the landing. Note the standing "leave trees" in groups and individual stems break up the landscape visually.

### CAN/CSA Z809 :2002 Surveillance Audit

|  |   |
|--|---|
| Non-conformance.....                   | 0 |
| Opportunities<br>for Improvement ..... | 8 |
| Positive Aspects.....                  | 3 |

#### Non-conformance

##### Non-conformance (NCR):

A systemic failure of the Program Participant's EMS/SFM system to meet an EMS/SFM objective, performance measure or indicator.

##### Area of Concern (AOC):

An isolated lapse in EMS/SFM system implementation which does not indicate a systemic failure to consistently meet an EMS/SFM objective, performance measure or indicator.

All non-conformance require an action plan within 30 days. Non-conformance must be addressed by the operation or registration cannot be achieved / maintained.

##### Opportunities for Improvement (OFI):

Are isolated observations that are non-critical to the achievement / maintenance of EMS/SFM objectives.

#### Positive Aspects

Are features of the EMS/SFM system that are considered as enhancements to the expected level of EMS/SFM performance.

## Key Opportunities for Improvement

- 7.5.3 - Records: The Organization should consider consistently completing the "CSA Action Required" column in the road inspection ledger. At times this column was missing information.
- 7.3.1 - Defined Forest Area: The organization should consider including all "minor" licenses that operate within the DFA including SNRFLs. (ie FL A18697). The organizations should also consider revising current verbage in the DFA description to drop the reference to "3 newly aquired operating areas" as this is now longer the case. CSA (7.3.6.1): Indicator No. 9 (Percent of harvest priorities related to catastrophic forest health events) – consider if this indicator is still relevant given the extent of the MPB epidemic.
- 7.3.2 / 7.3.4(d) - Ownership Rights and Responsibilities / Rights and Regulations: The Organization should consider including a verbage in the SFMP that states; "non signatory's rights and responsibilities will be respected". ie: woodlot owners and other non signatories.
- 7.5.2 - Corrective and Preventative Action: The Organization has the ability to print a summary of corrective actions from the various system inspections and incident reports that are created. The operation may wish to consider printing a summary report (corrective action log) on a monthly basis and include it in its operational management review.
- 7.3.5 / 5.3.1.1 - Incorporation of Public Participation / Interested Parties: The Organization should review and correct the reference to "Section 8.0 above" that appears in the PAG Terms of Reference as it relates to the procedures to amend the TOR process.



Photo #3: John Deere grapple skidder brings a turn to the landing. The log loader has a butt n top attachment to efficiently sort and deck wood at roadside. The processor will move in to manufacture cut to length logs for the mill. Note the healthy plantation in the background.

## Key Opportunities for Improvement

- 7.5.3 - Records: The Organization may wish to make changes to its current electronic record keeping system in order to make it more user friendly and reduce the amount of lost time when using the system. The "filing tree" located on the left side of the screen collapses after each time the user selects a file to view. The Organization should also consider a "basic standardized filing tree" by year by subject. This will provide for some consistency between operations while still allowing for flexibility to reflect the unique characteristics of each operation.
- 7.5.1.1(b)/Indicator 35 - Monitoring and Measurement: The Organization should consider updating its copy of the Merritt TSA SFMP Annual Report posted to the Intranet. The results for this indicator are missing.
- 7.35 / 5.2(e) - Incorporation of Public Participation / Interested Parties: The Organization should consider including verbage in the SFMP to state "First Nations treaty and traditional rights will not be prejudiced by their participation in the SFMP PAG or NCIFS processes".



Photo #4: Public Advisory Member (white hat) gets a lesson in processor maintenance from the machine operator. During the inspection process particular attention is paid to cylinders and hoses where seals could leak hydraulic fluid.

QMI's Forestry Group registers forest companies to ISO 14001, SFI 2005-2009, and CSA Z809 SFM standards. The QMI Forestry Group consists of professional foresters and industry experts located in our Cleveland, Toronto, Vancouver, and Montreal offices. Contact [marketingservices@qmi-saiglobal.com](mailto:marketingservices@qmi-saiglobal.com) for more information.

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