



## Tolko Industries Ltd. Sustainable Forest Management System High Level Lumber Woodlands

### Audit Coverage

- During the period January 19<sup>th</sup> to 20<sup>th</sup>, 2009 inclusive, QMI-SAI Global conducted a 24 month Surveillance Audit of Tolko Industries Ltd. High Level Lumber Woodlands Sustainable Forest Management System to the CAN/CSA Z809 Standard. The audit took 2.0 audit-days to complete.
- The Audit Team consisted of Nate Ryant RPF., EMS(LA) as the Lead Auditor.
- The audit assessed pre and post harvest operations in the High Level Lumber Woodland's operating area. This entailed site visits Tolko Industries Ltd. staff 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 High Level Lumber Woodland's office and a review of the applicable SFM Indicator documentation.

### Background

- The High Level Lumber Woodlands SFM system has been registered to the CAN/CSA Z809 Standard since December 4, 2004. This registration is supported by an Environmental Management System registered to the ISO 14001 Standard since February 6, 2004.
- The High Level Lumber Woodlands SFM system and EMS system have undergone annual 3rd party surveillance audits by QMI since the date of initial registration.
- The High Level Lumber Woodlands SFM Defined Forest Area is located in and around the community of High Level, Alberta.



Photo #1: Tree skidding crew photo with grapple skidders with low ground pressure tires.

## Scope of Certification

The sustainable forest management system as it applies to Tolko Industries Ltd.'s High Level Lumber Woodlands and contract operations on Forest Management Agreement #200040 and Tolko's coniferous timber quotas including the integration of forest planning, harvesting, loading delivery of forest products to a Tolko processing facility as well as silviculture and renewal activities.

## Executive Summary

The CAN/CSA Z809:2002 third-party surveillance audit was undertaken by QMI-SAI Global. QMI-SAI Global is an independent third party registrar that is accredited by the Standards Council of Canada (SCC) for registrations to the CAN/CSA Z809:2002 standard. This ensures the integrity and credibility of the audit process.

## Areas of Non-conformance (NCR)

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

## Audit Recommendation

The results of this 24 month Surveillance Audit indicate that the Management System of Tolko Industries Ltd. High Level Lumber Woodlands is suitable and effective and will be recommended for continued registration to the CAN/CSA-Z809-2002 Standard.



Photo #2: Recently skidded area with no evidence of soil disturbance

### CAN/CSA Z809:2002 Surveillance Audit

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#### 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.

## AREAS OF CONCERN (AOC)

- 4.4.7/7.4.7 - Emergency Preparedness and Response: Ensure criteria are documented for fueling and servicing of equipment near water bodies, eg. buncher serviced beside ephemeral stream.
- 4.5.3/7.5.2 - Non conformity, corrective action and preventative action: Ensure all corrective action plans are generated for incidents and nonconformance and all timelines have been achieved by their due dates. Ensure the root cause analyses are effective at preventing reoccurrences of incidents, eg. trespasses.
- 7.3.7- SFM Plan: Ensure the conclusions drawn in the management review are included in the SFMP. Ensure the links between short term operational plans and the SFMP are documented in the SFMP.
- 7.3.6.1 – Indicator #6: Ensure criteria exist to ensure retention targets are met for harvest areas that can be checked for conformance during operations as opposed to waiting until year end analysis are completed.

Photo #3: Felled wood around horizontal and vertical retention.



## Positive Aspects

- Tolko's role in the PAC is appreciated for the company's honesty, transparency and ability to work with the group at resolving issues.
- Tolko's affiliation with the Dene Nation has an established trust and good working relationship.
- Well managed and professional harvesting contractors.
- Documented prework meetings done by contractor supervisors with contract crew.
- Good drip containment on fuel nozzles.
- Contractor training records for suppliers, eg. Fuel.
- Use of the EMS to capture incidents, non-conformances and audit findings with the associated CAP's.
- Good description in the SFMP of the Ownership Rights and Responsibilities.
- Operations Training Exercise sample questions.
- The new implementation of the GPS requirement for feller bunchers.
- The implementation of a divisional management review for divisional specific issues.
- Good management commitment to improve.

## Opportunities for Improvement (OFI)

- 4.4.2/7.4.2- Training, awareness, competence: Consider adding specific EMS/SFM Awareness Training check boxes to training records denoting the training taken by contractor employees.
- 4.4.6/7.4.6 - Operational Control: Consider requiring tailgate meetings to occur at a greater frequency to capture area specific issues on harvest areas.
- 4.4.7/7.4.7 - Emergency Preparedness and Response: Consider implementing requirements for operational contractors to include antifreeze spill pads in their spill kits.
- 4.6/7.6 - Management Review: Consider documenting the divisional management review in terms of the meeting minutes associated with discussions that took place during the management review presentation.
- 7.3.3 - Shared Responsibilities: Consider describing the PAC and their roles and responsibilities in addressing the CSA SFM elements under Shared Responsibilities in the SFMP.
- 7.3.6.1 Indicator 4: Consider adding the Oil and Gas deletions of Old forest to the analysis of Old forest on the landbase.
- 7.3.6.1 Indicator 11: Consider updating the layer data (biological significant areas) periodically to ensure the most current data is available.
- 7.3.6.1 Indicator 17: Consider revising the indicator to account for changing circumstances as opposed to suspending reporting since FFP has ceased operation.
- 7.3.6.1 Indicator 18: Consider removing the + 20% to the variance since increasing harvest areas in compartments can not be done without compartment re-assessments.
- 7.3.6.1 Indicator 23: Consider showing the trend to decrease the non forested areas on the DFA since the inception of this indicator.
- 7.3.6.1 Indicator 26: Consider linking the changes to indicator 3 with this indicator or remove the indicator as complete.
- 7.3.6.1 Indicator 27: Consider revising the wording in the indicator to ensure the target is measurable and the monitoring strategy coincides with the target ie. monitoring talks about providing opportunities and the target talks about incorporating stakeholder needs.
- 7.3.6.1 Indicator 31: Consider revising the target to become measurable in terms of continual improvement.



QM-SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 SFM, FSC FM & CoC, SFIS, SFI CoC and PEFC. The group, led by Guillaume Gignac, Product Manager, Forestry, consists of a highly qualified team of professional foresters, technical and industry experts. Contact [marketingservices@gmi.com](mailto:marketingservices@gmi.com) for more information.

### Contacts:

**Guillaume Gignac** Manager, Strategic Projects & Forestry  
865 Ellingham Road, Pointe Claire, Quebec, Canada H9R 5E8  
Tel.: 514.428.2438  
[www.QMI-SAIGLOBAL.com](http://www.QMI-SAIGLOBAL.com)

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