



Tolko Industries Ltd.
Wood Procurement Program

April 2022

Introduction

Tolko Woodlands is committed to responsible sustainable forest management and recognize the importance of maintaining viable public and private forestlands. Forest landowners have an important stewardship responsibility and a commitment to society. Tolko supports sustainable forestry practices on the forestland they manage and promote it on lands they source fibre. Tolko supports efforts to protect private property rights, and to help all landowners manage their forestland sustainably.

To demonstrate this commitment, Tolko is a Sustainable Forestry Initiative (SFI) participant and certified to the SFI Fibre Sourcing Standard. SFI is a sustainability leader through their work in four focus areas: Standards, Conservation, Community and Education. In addition, Tolko is a member of the Western Canada SFI Implementation Committee (WCSIC) which is made up of SFI participant members from British Columbia, Alberta and Saskatchewan, structured under two regional committees, BC and Prairie. WCSIC has developed a Wood Producer Information Package which Tolko uses as guidance for its Wood Procurement Program. The WCSIC performs local outreach and education activities that promote sustainable forestry, the SFI program, and SFI Standard conformance on public and private forestlands.

This Wood Procurement Program is an outreach tool for landowners supplying wood to Tolko from North American forests. The Program provides guidance for managing forestlands consistent with SFI Program Principles and Objectives. Tolko also encourages forest landowners to participate in forest management certification. Landowners considering certifying their lands should contact the nearest SFI Program Participant or the WCSIC through their website: www.wcsic.ca

SFI 2022 Fiber Sourcing Standard

Tolko supports the principles outlined in the SFI 2022 Fiber Sourcing Standard for purchased fiber from other landowners and/or wood producers.

Principles:

1. Sustainable Forestry
2. Forest Productivity and Health
3. Protection of Water Resources
4. Protection of Biological Diversity
5. Aesthetics and Recreation
6. Protection of Special Sites
7. Legal Compliance
8. Research
9. Training and Education
10. Community Involvement and Social Responsibility and respect for Indigenous Rights
11. Transparency
12. Continual Improvement
13. Responsible Fiber Sourcing

Objectives:

1. Biodiversity in Fiber Sourcing
2. Adherence to Best Management Practices
3. Use of Qualified Resource Professionals, Qualified Logging Professionals and SFI-Certified Logging Companies
4. Legal and Regulatory Compliance
5. Forestry Research, Science, and Technology
6. Training and Education
7. Community Involvement and Landowner Outreach
8. Public Land Management Responsibilities
9. Communications and Public Reporting
10. Management Review and Continual Improvement
11. Avoid Controversial Sources

Commitments

Tolko commits to maintain certification to the SFI Fibre Sourcing Standard, by:

- Providing wood producers and other wood suppliers Tolko's Purchase Wood Procurement Program.
- Ensuring that purchase wood has been obtained legally and follows all environmental and safety legislation, including where practicable, the use of Best Management Practices.
- Implementing a monitoring system to ensure that the supplier meets all of Tolko's purchase wood requirements.

Tolko is committed to the principles of Sustainable Forest Management and will only procure wood from demonstrated

reliable sources. This is achieved by:

- Tolko will not procure wood from controversial sources as defined by SFI (definition in Appendix C) and PEFC 2002:2020
- Tolko's priority will be to source wood products from certified wood producers and harvest areas. Non-certified sources will be individually evaluated to confirm they are not supplying wood from controversial sources.
- Tolko will strongly encourage and assist its suppliers to achieve SFI Certification.
- Where applicable, purchase wood operations will follow the same planning and timber harvesting legislation and standards as are applied to crown lands. Deviations may be for timber salvage operations where the harvested lands will not be reforested but will be used for other purposes such as farming, grazing or for the construction of facilities.
- Qualified logging and resource professionals, or certified logging companies are to be used when possible. Definitions of these can be found in Appendix C. A list of Qualified Logging Professionals and Certified Logging Companies can be made available with our Log Purchase Agreements through request from a Tolko Representative or by emailing WoodlandsEMS@Tolko.com.
- Continual improvement will be through internal evaluations and independent audits.

Risk Assessment

Tolko will complete a Wood Procurement Risk Assessment at the beginning of each wood purchase to determine the assessed risk of the wood. If volume purchased is less than 1000 m³ or the land is being cleared for non-forest use (e.g., land development), no further information is required if it is determined by wood procurement staff that there is low risk to impacting water resources.

This assessment is used to determine:

- a. the likelihood that activities defined under the term controversial sources occur in the country / region of the supply and;
- b. the likelihood that the supply chain has not been able to identify a potential controversial source of supply.

Suppliers will be categorized into one of the following:

- a) Very Low
- b) Low
- c) Moderate
- d) High
- e) Controversial Sources

The Wood Procurement Inspection Form will be completed based on the assessed risk, at the frequency indicated in the Wood Procurement Risk Assessment form.

If the Seller becomes aware that any of the wood fibre sold or traded to the Purchaser's Facilities may be deemed to be from a "high risk" source by the Purchaser, the Seller will provide any information necessary to the Purchaser to clearly identify the origin of the material and will cooperate with any audits or inspections necessary to investigate this material in more detail.

Audits/ Inspections

As part of Tolko's commitment to sustainable forestry management, an on-site visit of wood producer operations may be conducted to answer any questions about the SFI program. The visit may also include an assessment of the conditions on the logging site as part of Tolko's requirements to meet the applicable certification Standard(s).

Tolko hires third-party independent auditors, who verify that the companies' forest practices and environmental management meet the requirements of the certification system. To ensure transparency, these auditors' reports are available publicly on the SFI Inc. website <https://forests.org/>.

Appendix A: Best Management Practices

Best Management Practices

Landowners should consider the following guidance:

- a) **Reforestation:** Prompt reforestation of lands being managed for forestry will help to ensure successive crops of trees. Reforestation plans can detail the steps needed to successfully re-establish seedlings on harvested forest lands. Tolko will, on request, support you in identifying Registered Forest Professionals in your area to assist you in developing a reforestation plan for your site. A list of seedling nurseries can also be obtained from Tolko. Note that seedlings generally need to be ordered at least one year in advance of planting dates.
- b) **Afforestation:** When feasible forest landowners are encouraged to practice afforestation; converting lands back to productive forests or planting trees on lands that have not recently supported forests. Afforestation has many benefits to the environment; two examples are increased overall land productivity and increasing carbon storage. Afforestation may qualify as carbon credits for offsetting greenhouse gas emissions.
- c) **Invasive Species:** The SFI Standard requires participants to limit the introduction, impact and spread of invasive species (plants and animals) that directly threaten or are likely to threaten native plant and animal communities. Information on the control of invasive plants can be found through the;
 - BC - Invasive Species Council of British Columbia (<http://bcinvasives.ca/>),
 - AB - Alberta Invasive Species Council (<https://www.abinvasives.ca/>)
 - SK - Saskatchewan Invasive Species Council (<http://www.saskinvasives.ca/>).
 - Canada - The Government of Canada documents incidences and develops strategies for “Invasive Alien Species in Canada”. <https://www.canada.ca/en/services/environment/wildlife-plants-species/invasive-species.html>
- d) **Water Quality and Riparian Management:** Riparian habitat (area adjacent to creeks, lakes and wetlands) is very important for protecting water quality and provides high value wildlife habitat. Special measures are often required in riparian habitat to ensure water quality and habitat is managed on a sustainable basis. Tolko will, on request, support you in identifying qualified resource professionals in your area to assist you in preparing prescriptions to manage riparian habitat.

Management and control of sediment during road construction, maintenance and deactivation activities is key to maintaining water quality. Adhere to local wet weather shutdown guidelines and cease activity if there are any safety or environmental concerns. Do not direct ditchwater directly into any fish streams or drinking water source areas (i.e., use ditch blocks, sumps, etc. Hay bales can also be used to assist with sediment control, but ensure they are maintained and removed once activity is complete. Where material is available, armour culvert intakes and outtakes for any areas of concern for sediment transport.
- e) **Fish and Fish Habitat:** It is prohibited under the Federal Fisheries Act (<https://www.dfo-mpo.gc.ca/campaign-campagne/fisheries-act-loi-sur-les-peches/introduction-eng.html>) to undertake works that result in the death of fish, a harmful alteration, disturbance or destruction of fish habitat (HADD) or to introduce a deleterious substance (e.g., excessive sediment) into fish habitat. Works in or adjacent to fish habitat may require a project review by Fisheries and Oceans Canada (<https://www.dfo-mpo.gc.ca/index-eng.html>) and if works are determined to result in a HADD an authorization will be required before work can be undertaken. The Fisheries and Oceans Canada website provides Measures to Protect Fish and Fish Habitat (<https://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures-eng.html>), Codes of Practice (<https://www.dfo-mpo.gc.ca/pnw-ppe/practice-pratique-eng.html>) and guidance when a project review (<https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-d-examen-001-eng.html>) is required
- f) **Soil Conservation:** Protecting the soil resource is the key to long-term productivity of forest lands. Conducting operations in a manner that conserves the soil resource is critical to sustainable forestry. Weather conditions can be a major factor in soil disturbance. Operations should avoid conditions that create excessive rutting or compaction. Plan operations with soil disturbance in mind. Weather conditions and soil disturbance should be assessed, and consideration given to curtailing or stopping activities causing soil disturbance when soils are too wet to support

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equipment. For example, in the BC Interior and prairies, consider winter harvesting on wet ground to better support equipment. With different soil types, and phases of harvesting, it may be possible to carry out some operations in wet weather without causing excessive soil disturbance. Appropriate equipment should be used to minimize soil disturbance.

The area in permanent roads, trails and landings should be minimized to maintain productive forestland. Tolko will, on request, support you in identifying qualified resource professionals in your area to assist you in managing the soil resource on your forestlands.

- g) **Biodiversity:** Both regulation and government approved land use plans set out requirements at the stand level. These requirements vary by province and region. Landowners may seek assistance from Tolko or by contacting an appropriate qualified resource professional.
- h) **Wildlife Management:** Managing Forest lands for general wildlife features as well as specific management for species at risk are important components of sustainable forestry. Tolko has guides for species at risk management that can be made available upon request. In addition, Tolko will support you in identifying qualified resource professionals in your area to assist you in developing wildlife management strategies.
There are also valuable resources on the Internet that can provide further information. Two websites of particular note are the Federal Government’s website for species at risk (<https://www.canada.ca/en/environment-climate-change/services/species-risk-public-registry.html>) and NatureServe Canada’s Conservation Data Centres (<https://www.natureserve.org/canada/>). Each may have species-specific information that applies to your situation.
- i) **Forests with exceptional conservation value (FECV):** Tolko will evaluate your lands to determine if they have FECV present. FECV are lands with critically imperiled (G1) and imperiled (G2) species and ecological communities, a conservation status determined by NatureServe that can be accessed through the <https://www.natureserve.org/canada>. Landowners may seek assistance from Tolko or by contacting an appropriate qualified resource professional.
- j) **Special Sites:** The SFI Standard requires Program Participants to manage lands that are ecologically, geologically or culturally important in a manner that takes into account their unique qualities. Identification and management of special sites covers a broad range of values: ecological, geological, historical, cultural and spiritual. Landowners may consult with local historians, archeologists, First Nations, local governments and others to determine significance to map and manage for their unique features.
- k) **Coarse woody debris/harvest residue:** The SFI Standard requires participants to manage harvest residue (e.g., slash, limbs, tops) with consideration given to economic, social and environmental factors (e.g. organic and nutrient value to future forests) and other utilization needs. In the absence of landowner harvest residue management plans, landowners should contact Tolko or qualified resource professionals in their area for suggested management practices for their forest lands.
- l) **Landscape Aesthetics:** Managing harvesting operations to minimize visual impact is an important part of sustainable forestry. Operations may impact the views of many individuals and communities. Tolko recommends that the visual impact of harvesting be considered within visually sensitive areas. For guidance or advice landowners are encouraged to contact a qualified resource professional knowledgeable in visual management assessment and planning.
- m) **Qualified Professionals:** Tolko does not endorse specific professionals or companies as to their appropriateness to landowners. The following lists are intended to inform landowners seeking assistance from qualified resource professionals to further manage and or develop their lands consistent with SFI Principles. Tolko may assist landowners in contacting qualified resource professionals.
- n) **Qualified Resource Professionals**

Qualified Resource Professional Category	Resources
Forestry	BC, Alberta, and Saskatchewan have respective Associations of Forest Professionals where membership directories can help you identify forestry consultants to assist you

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Qualified Resource Professional Category	Resources
	<p>in planning aspects of forest management, including reforestation plans, visual management, riparian management, soil conservation and wildlife management.</p> <p>Association of BC Professional Foresters: https://abcfp.ca/web</p> <p>Association of Alberta Forest Management Professionals: https://aafmp.ca/</p> <p>Association of Saskatchewan Forestry Professionals: https://www.asfp.ca/</p>
Biologists	<p>Each province within the WCSIC has a membership database for professional biologists. Members could assist you with planning for riparian management and wildlife management. An SFI Program Participant can also assist you in identifying biologist consultants in your area.</p> <p>The College of Applied Biology – British Columbia: https://www.cab-bc.org/</p> <p>Alberta Society of Professional Biologists: https://www.aspb.ab.ca/</p>
Engineers	<p>The following websites have a member’s section that provides information on qualified professionals to assist in such areas as operations on potentially unstable or steep terrain and engineered structures such as bridges.</p> <p>The Association of Professional Engineers and Geoscientists of British Columbia: https://www.egbc.ca/</p> <p>The Association of Professional Engineers, Geologists, and Geophysicists of Alberta: https://www.apega.ca/</p> <p>The Association of Professional Engineers and Geoscientist of Saskatchewan: https://www.apegs.ca/</p>

- **Seedling Nurseries and Seed Procurement:**

A list of BC Forest Seedling Nurseries and services is available on the BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development website (<https://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/tree-seed/seed-planning-use/spar> or <https://www.fnabc.com/>). The nurseries can assist you in selecting and procuring appropriate seedlings for a reforestation project in BC. In Alberta and Saskatchewan please consult with Tolko for advice on obtaining seedlings.

- o) **Qualified Logging Professionals:**

Tolko encourages wood producers to utilize the services of qualified logging professionals. These loggers will have successfully completed a training program recognized by Tolko. A list of local qualified logging professional can be obtained from Tolko.

- p) **Guidebooks and sustainable forestry management practices:**

Tolko supports small forest landowners’ forestry operations through promotion of sustainable forestry management. Wood producers are expected to conduct harvesting operations in compliance with applicable provincial or federal legislation. The intent of sustainable forestry practices for these lands is to maintain or protect, where practical, forest resource values. The Western Canada Sustainable Forestry Initiative Implementation Committee (WCSIC) provides and/or directs small private landowners to information about sustainable forestry practices for reforestation, riparian management, soil conservation, wildlife management and visual or scenic quality. Resources for landowners can be found with the following organizations and on their websites:

- o Western Canada Sustainable Forestry Initiative Implementation Committee (WCSIC) - <http://www.wcsic.ca/>

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- Private Forest Landowners Association
<http://www.pfla.bc.ca/>
- Private Managed Forest Land Council - Field Practices Guide
<https://www.mfcouncil.ca/field-practices-guide/>
- BC Small Woodland Partnership Outreach
<http://woodlot.bc.ca/small-woodlands-program/>
- Agroforestry and Woodlot Extension Society of Alberta (awes-ab.ca)
<https://www.awes-ab.ca/>

Tolko will not purchase wood from unknown sources or wood producers whose practices are illegal.

Appendix B: Other Considerations

Emergency Response

- a) **Spill Response Plan:** Fuel and other material spills have the potential to cause environmental damage. Wood producers are encouraged to become familiar with spill reporting requirements and to have an action plan and a supply of spill containment and mop up equipment available on site. Reportable spills must be communicated to the relevant provincial authority.

Report a spill

British Columbia- Emergency Management BC at 1-800-663-3456

Alberta - Alberta Environmental Protection at 1-800-222-6514

Saskatchewan - Spill Report Centre at 1-800-667-7525

- b) **Fire Preparedness Plan:** Wood producers are encouraged to become familiar with applicable wildfire legislation in their province. Provincial legislation will dictate what type of preparedness plan and firefighting equipment must be on hand when harvesting wood.

Report a wildfire

BC – BC Wildfire Service 1-800-663-5555 (*5555)

Alberta - Report-A-Fire at 310-FIRE (310-3473)

Saskatchewan - Forest Fire Control Centre at 1-800-667-9660

Wood producers also should be aware of requirement of post-harvest wildfire hazard abatement requirements. Guidance on wildfire hazard abatement is available at the following sources:

- BC Wildfire Management Branch: <http://bcwildfire.ca/>
- BC Wildfire Management Branch: A Guide to Fuel Hazard Assessment and Abatement in British Columbia <https://www2.gov.bc.ca/gov/content/safety/wildfire-status/prevention/for-industry-commercial-operators/hazard-assessment-abatement>
- Alberta, Forestry and Rural Economic Development: Wildfire Prevention & Enforcement <https://wildfire.alberta.ca/compliance-and-enforcement/default.aspx>
- Alberta FireSmart Program <https://wildfire.alberta.ca/firesmart/default.aspx>
- Saskatchewan Public Safety Agency -<https://www.saskpublicsafety.ca/communities/firesmart-communities>

- c) **Health and Safety:** British Columbia, Alberta and Saskatchewan have acts and regulations for, Worker Compensation and Employment Standards. The regulations set minimum standards regarding occupational health, safety and employment. These agencies offer direction on the implementation and interpretation of the regulations through periodic training sessions, self-education guides and site visits. Information and training opportunities can be found at the following websites:

- Work Safe BC: <https://www.worksafebc.com/en>
- BC Forest Safety Council: <https://www.bcforestsafety.org/>
- BC Employment Standards Branch: <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards>
- BC Employers' Advisors Office: <https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/labour>
- Work Safe Alberta: <https://www.wcb.ab.ca/>
- Alberta Safety Council: <https://www.safetycouncil.ab.ca/>
- Alberta Human Services – Employment Standards: <https://www.alberta.ca/labour-and-immigration.aspx>
- Work Safe Saskatchewan: <https://www.worksafesask.ca/>
- Saskatchewan Safety Council: <https://www.sasksafety.org/>
- Saskatchewan Labour Relations & Workplace Safety: <https://www.saskatchewan.ca/government/government-structure/ministries/labour-relations-and-workplace-safety>

Appendix C: SFI Definitions – 2022 Fibre Sourcing Standard

Certified Logging Company: An entity that holds independent, in-the-forest verification of conformance with a logger certification program. The logger certification program shall require its members to:

- a) require its key personnel to complete SFI Implementation Committee approved qualified logging professional logger training program(s);
- b) comply with all applicable laws and regulations and measures to protect wildlife habitat including Forest with Exceptional Conservation Value (critically imperiled and imperiled species and ecological communities);
- c) use best management practices to protect water quality;
- d) adhere to a logging safety program;
- e) comply with acceptable silviculture and utilization standards;
- f) use aesthetic management techniques where applicable, and
- g) adhere to a management or harvest plan that is site specific and agreed to by the forest landowner.

Controversial Sources are defined as:

- a) Forest activities which are not in compliance with applicable state, provincial, federal, or international laws.
- b) Forest activities that are contributing to regional declines in habitat conservation and species protection (including biodiversity and special sites, Alliance for Zero Extinction sites and key biodiversity areas, threatened and endangered species).
- c) Conversion sources originating from regions experiencing forest area decline.
- d) Forest activities where the spirit of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at work (1998) are not met.
- e) Forest activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) are not met.
- f) Fiber sourced from areas without effective social laws
- g) Illegal Logging including trade in CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora) listed species.
- h) Conflict Timber
- i) Genetically modified trees via forest tree biotechnology

Qualified Logging Professional: A person with specialized skills in timber harvesting who has successfully completed wood producer training programs and continued education requirements recognized by SFI Implementation Committees as meeting the spirit and intent of performance measure under Objective 13 in the SFI 2022 Forest Management Standard or Objective 6 in the SFI 2022 Fiber Sourcing Standard.

- a. Each crew must include a qualified logging professional who (1) has completed the SFI Implementation Committee approved wood producer training program; (2) is an owner of, employee of, or contracted by the wood producer; (3) has direct responsibility and is on-site regularly to consistently carry out the roles and responsibilities of the qualified logging professional under the SFI 2022 Standard(s) (e.g., safety, protection of soils, streams, and other water bodies).
- b. To be considered a qualified logging professional, an individual must complete the required training appropriate to their level of responsibility (e.g., owner, supervisor, employee) within the specified time period required by their SFI Implementation Committee. SFI Implementation Committees have the flexibility to require different training requirements for owners of logging businesses versus training requirements for other employees (e.g., supervisors). Once classified as a qualified logging professional, the individual must complete the required SFI Implementation Committee maintenance training within the prescribed time period to retain their status as a qualified logging professional.

Qualified Resource Professional: A person who by training and experience can make forest management recommendations. Examples include foresters, soil scientists, hydrologists, forest engineers, forest ecologists, fishery and wildlife biologists or technically trained specialists in such fields.