

**2006 ANNUAL REPORT**  
**SUSTAINABLE FOREST MANAGEMENT PLAN**  
**MANITOBA SOLID WOOD DIVISION**

**October 15, 2007**

**Executive Summary**

## Executive Summary

Tolko's Sustainable Forest Management (SFM) Plan for forest management on Manitoba's Forest Management Licence (FML) Area No.2 received Canadian Standards Association (CSA) certification October 2004. Documents relating to the SFM activities on the FML Area are available on the website at [www.tolkomanitoba.com](http://www.tolkomanitoba.com). Planning for forest management on the FML Area follows requirements outlined under *the Forest Act* and the FML Agreement. The current Forest Management Plan (FMP) covers the period 1997 to 2009 inclusive. The Company is licensed under the Manitoba *Environment Act* and this licence also outlines certain requirements that are to be met.

Review of the SFM process is undertaken in several formats. The Environmental Management System (EMS)/ SFM Tolko staff committee met 7 times during 2006. Annual meetings are held for both Company staff and contractors to review EMS and CSA. The FML Area Forest Resource Advisory Committee (FRAC) met 3 times in 2006 to discuss different aspects of CSA. Company staff review requirements at each block through tailgate meetings with contractors and monitor progress of the block through operation inspections. The SFM plan was audited twice in 2006.

Highlights from 2006 include:

- Implementation of Opportunities for Improvements (OFIs) from certification audit
- Continuation of CSA certification after surveillance audit
- Continuing development, refinement and documentation of public consultation process
- Pre-harvest surveys were completed on 98.5% of the blocks prior to harvest (target 95%).
- Blocks not meeting the regeneration surveys standards in 2005 and 2006 have been replanted as prescribed.
- Bulldozing remains less than 5% of productive land
- Roads remain well below target of 0.05% of productive land
- No violations for soil disturbance, working near water or non-timber uses
- After 3 years road decommissioning has achieved 100% of 5 year target
- Above target for value of contracts undertaken with local contractors
- Aboriginal Cultural Awareness was discussed during annual EMS Review

Issues for 2006:

- Due to human error 0.6% of seedlings were planted outside the approved seed zone.
- Only 14 blocks were surveyed for coarse woody debris. The shortfall will be corrected in 2008.
- Average wood costs were not within 10% of the Price WaterhouseCoopers Log Cost Comparison as the survey no longer includes comparable operations.

In 2006 seven indicators were reviewed and changes were implemented as of this 2006 Annual Report.