

CIRCULAR

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TOLKO

MESSAGE FROM BRAD THORLAKSON

Building a strong culture through our values



We want Tolko to be a great place to work.

In the last Circular, I talked about the importance of living our values every day. Tolko's values of Safety, Respect, Progressiveness, Integrity, Open Communication, and Profit have been foundational to our success by

helping define who we are as a company and by setting us apart from the competition. In fact, people often say that our values are one of the main reasons they want to work at Tolko. Employees who feel that Tolko is a great place to work will grow their careers with us and encourage others to do the same.

Is Tolko a great place to work? I believe that many employees would answer "yes" to that question, but I also think there is room for improvement. Maybe you have heard the saying that "culture eats strategy for breakfast." It's true. We can have world-class strategies that are well executed, but if employees don't feel safe and welcome, we will fall short of our goals. Fostering a culture where people feel included and valued for their contributions is critical to our accomplishments.

The path to building a strong culture is through living our values, both at work and at home. In 2020, you will see us focus on this more than ever. We are giving our management the tools they need to be values-based leaders and to consistently model the behaviours we expect from all employees through the "Supervisor to the Floor" program.

The values are a guidepost for how to be successful at Tolko. I believe that this statement is as true today as it was when my grandfather Harold started the company in 1956. The values began as an informal conversation around the family kitchen table where we asked ourselves, "How did Harold, and then my father Al, treat employees, customers, and suppliers?". We realized that no matter how challenging the market conditions, our values were and still are an integral part of who we are, as well as the success we've achieved as a company.

In this edition of the Circular, you will read more about our values and how each one relates to our diversity and inclusion efforts. You will hear more about the value of Respect – the key to having an inclusive workplace, which supports becoming a great place to work. We all create the culture of Tolko through our actions and behaviours. The way we treat and respect each other for our individual contributions sets the tone for how we work together and what we accomplish every day. I often say that we will win through our people; I ask each of you to do your part to ensure that Tolko is a great place to work.

Sincerely,

Brad Thorlakson
President and CEO

MESSAGE FROM TANYA WICK

Executive Sponsor



Our diversity and inclusion efforts distinguish us from our competitors just as our values-based culture does. In fact, our competitors are calling us and asking to “join our efforts” so they can do more to improve diversity and inclusion at their organizations. And, last year, we were

recognized with an award from the Canadian Council for Diversity & Inclusion.

We are challenging the industry’s status quo. We are positioning our business for success by building on our long-standing values. We have created momentum and are leading the industry in this area.

Our vision is clear: to attract, develop, and retain the best and brightest from all backgrounds.

The objectives are simple:

- **Diversity** – improving the representation of under-represented groups at all levels through talent acquisition and management practices;
- **Inclusion** – creating and promoting a respectful work environment that fosters engagement and differing view points; and
- **Values-based** – building on Brad’s message, diversity and inclusion intersects with all Tolko values. So, let’s explore this a little further...

Safety: Nothing is more important than employee safety, not just physical safety, but psychological and cultural safety as well.

Respect: A central value for diversity and inclusion, including being open to different perspectives and roles. We might not always agree, but respectful debate and different opinions are welcome.

Progressiveness: Constantly seeking ways to improve is essential to growth – research shows that a diverse workforce is more innovative.

Integrity: Our company is based on relationships, which are built on personal integrity and a commitment to ensuring every person is shown proper respect.

Open Communication: We strive to keep lines of communication open – diversity of thought can only come from open, respectful communication.

Profit: Essential to the success of our company – our goal is to be an ‘Employer of Choice’ to ensure our company continues to grow and be sustainable.

A culture where employees live the values is an inclusive culture, and inclusion is what unlocks the power of diversity. Diverse companies have been proven to be more profitable, more innovative, and more sustainable. The outcome is not about targets, but about embedding diversity and inclusion in our values-based culture. This will result in a workplace where all employees feel respected.

Sincerely,

A handwritten signature in black ink that reads "Tanya Wick".

Tanya Wick
VP, People and Services

LIVING THE VALUE OF RESPECT

Brad and Tanya have talked about the importance of our company values and have made the link between the value of respect and an inclusive culture. But what does Respect look like in the workplace? Here are a few examples of respectful and inclusive behaviours that each of us can commit to.

CHOOSE TO BE AN UPSTANDER

When a disrespectful or demeaning comment goes unchecked, it not only erodes the self-worth and esteem of the target, but failing to call out a harmful behaviour normalizes it. Upstanders speak out or act in support of others, thereby discouraging this unwanted behaviour. The struggle people have is how to do it respectfully – check out the article on tolko.com in March for tips on how to do this.

AMPLIFY AND RECOGNIZE OTHERS

When people are talked over or see others getting credit for their good ideas, they stop talking and innovation is squashed. If you see this happen, you can give them a voice by saying “I agree with...on their idea of...” or “I’m not sure that...was finished explaining and I would like to hear the rest.”
Small actions, big impacts.

“Building the value of Respect into the DNA of the company’s culture relies on each of us to do our part.”

COLLABORATE OPENLY

It’s natural for people to rely on the opinion of a small group of peers. To inspire innovation, try asking a peer who you don’t usually engage for their opinion. And, remember to be open to their ideas, even if they vary from your own. By remaining open, you may be able to recognize and interrupt your own unconscious bias.

GIVE BACK OR PAY IT FORWARD

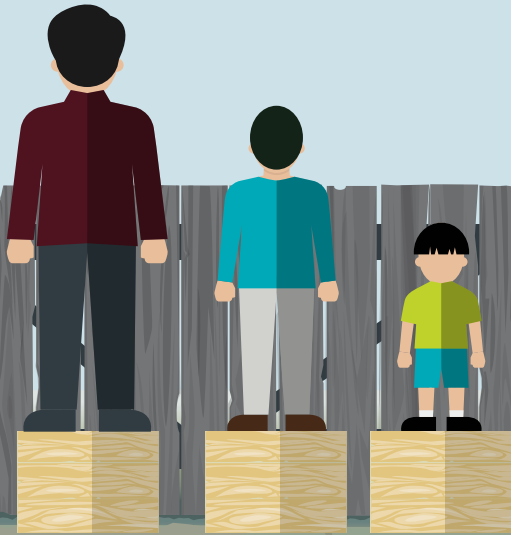
Mentoring is one of the most valuable and effective development opportunities an employee can have, especially those from under-represented groups. Mentors can “give back” by providing guidance and advice to someone less experienced than themselves.

Where mentorship tends to be a more formalized relationship, sponsorship is more ad hoc but is an extremely powerful way to elevate others. Sponsors can “pay it forward” by making use of their connections in the organization to elevate the level of exposure an employee might need to be considered for promotions or special projects.

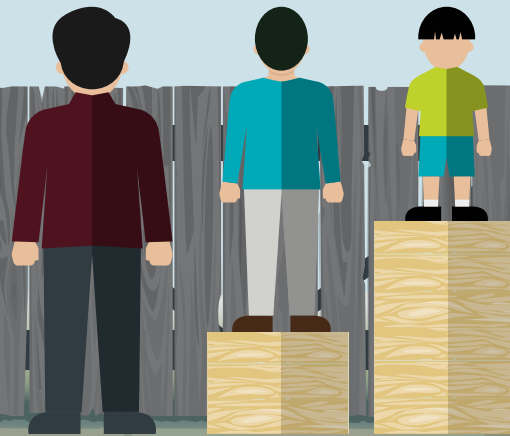
Building the value of Respect into the DNA of the company’s culture relies on each of us to do our part. Just imagine a workplace where everyone feels respected and has a sense of belonging. Inclusion is about being equitable, not necessarily equal. It’s about leveling the playing field, lifting others up, and embracing differences.

EQUALITY VS. EQUITY

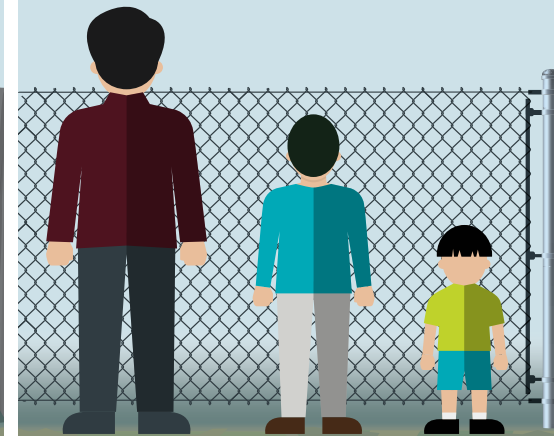
In the first image, it is assumed that everyone will benefit from the same supports. They are being treated **equally**.



In the second image, individuals are given different supports to make it possible for them to have equal access. They are being treated **equitably**.



In the third image, all three can see without any supports or accommodations because the cause of the inequity was addressed. **The systemic barrier has been removed.**



DID YOU KNOW...

...we all have unconscious biases

When we interact with each other, we send unconscious messages that reflect how we feel and what we believe about each other. These biases are conveyed through facial expressions, gestures, vocal tone, choice of words, and can be positive or negative.

The impact of negative biases can be tempered by the active and intentional practice of affirming a person's

value and achievements. Examples include greeting colleagues, making introductions, listening attentively, personally acknowledging efforts and achievements, responding to emotions with empathy, and expressing positive body language such as smiling or making eye-contact.

Being intentional and mindful with your interactions with colleagues is a useful strategy for managing unconscious biases and creating a respectful and inclusive relationship.

Source: <https://cultureplusconsulting.com/2019/03/10/inclusion-fundamentals-fostering-respect-in-diverse-settings/>

> DISC UPDATE



NEW IMAGE

Some of you may have noticed that this issue of Circular has a slightly different look to it. There is a good story behind it, and we thought you might want to know more!

Our long-term vision is to embed diversity and inclusion within Tolko's culture. To support this goal, we are leveraging Tolko's well established and respected Circular and incorporating relevant stories about our diversity and inclusion efforts in support of this vision.

The Graphic: There are thousands of people working at Tolko with thousands of different life stories. This variety is what makes our workforce unique and valued. The mosaic graphic captures the spirit of Tolko's diversity and inclusion journey. Centered around the Tolko "O", the fragments of a mosaic represent the uniqueness of our employees, but also come together to symbolize a cohesive, values-based culture.

To ensure that we have diversity of thought and unique perspectives on the committee, we encourage new members to join on a regular basis. As members leave the committee, they continue to promote awareness about diversity and inclusion and provide support to our new members.

We are pleased to welcome the following new committee members:



**Sandy
Kersey**

Corporate Treasurer, Vernon Office

"Different ways of thinking come from groups of people who have different experiences, cultures, ages, roles, and backgrounds. We have a lot of that here at Tolko. I look forward to learning from and with my colleagues and making practical changes in the way we work together, to tap into the differences among and within Tolko's diverse workforce."



**Jon
Baron**

Divisional Accounting Supervisor,
High Prairie Division

"Working with such a passionate group of people responsible for leading the charge on diversity and inclusion is an incredible opportunity and I am grateful for the chance to learn from the other DISC members. I'm excited to bring a unique perspective and fresh ideas to the team to support Tolko's goal of a sustainably diverse and inclusive environment."

A special thank-you to Heather and Judy for sharing with us their talents, dedication, experience, and desire to build a culture of diversity and inclusion at Tolko!

Heather Press

Heather Press, Project Manager, Human Resources and D&I Steering Committee member retired from Tolko in January 2020 after 8 ½ years of service. Here's what she had to say about her time on the committee:



"It has been my honour to lead the committee and I couldn't be prouder of the progress we've made. While there is much left to do and much still to learn, I'm confident that the foundation is in place to create a truly inclusive culture at Tolko. We just need to have an unrelenting commitment to our values and the desire to stay curious."

Judy Johnston

Judy Johnston, Plywood Sales Rep and D&I Steering Committee member retired from Tolko in January 2020 after 42 years of service. Judy recently shared her thoughts with us on her time with the committee and the importance of the work DISC is doing:



"It's been a pleasure to be involved in the group and I'm happy to see diversity and inclusion growing in our industry."

WHO WE ARE: *DISC COMMITTEE MEMBERS*

Allie Affleck, Okanagan Woodlands

Sandy Arseneault, Vernon Office

Jon Baron, High Prairie Division

Mike Dextrase, Soda Creek Division

Dustin Douillard, Okanagan Woodlands

Justin Giddens, Lavington Division

Tess Hillard, Vernon Office

Sandy Kersey, Vernon Office

Jason Lightening, High Level Lumber Division

Clinton McCallum, Meadow Lake OSB Division

Michelle Mercer, Vernon Office

Bryan Myers, High Prairie Division

Please reach out to a committee member near you if you have any questions or comments.

▶ TOLKO'S VALUES AWARD

Congratulations to our 2019 Values Award recipients

The winners of *Tolko's Values Award* have been selected to recognize their demonstration of living Tolko's values of **Safety, Respect, Progressiveness, Integrity, Open Communication, and Profit** during the 2019 year. Recognition events are being planned for 2020.

Heffley Creek

Annette Fensom

Payroll Administrator

Armstrong Lumber

Bruce Doroshuk

Head Saw Filer

Woodlands & Eagle Rock

Rod Massey

Eagle Rock Division Superintendent

Okanagan

(White Valley, Armstrong, Lake Country, & Co-Gen)

Terri Hanson

Sales & Service Representative

High Prairie

Chris Verreault

Electrician

Athabasca

Dwight McGlynn

Millwright

Meadow Lake

Rod Quilty

Area Lead, Rip Line

Lavington

Wade Marchand

Finishing End Charge Hand

Soda Creek

Bill Drebit

Millwright

Lakeview

Rick Wright

Millwright

High Level

Bryce Pollock

Millwright

Vernon Office

Sarah Purslow

HR Advisor, Total Rewards

TOLKO'S EFAP ELDERS PROGRAM

Specialized counseling support for Indigenous employees

Tolko's defining competitive advantage is its people; and most importantly, attracting and retaining a diverse workforce makes the difference when it comes to long-term sustainability and growth in a challenging and cyclical industry.

Bronwyn Dunphy, HR Business Partner, High Prairie Division, noticed that while all employees may experience difficulties in their lives, Indigenous employees often face unique barriers and challenges in their home life and at work. She felt that there was an opportunity to try a different approach, so she looked at what could be done to improve the engagement and retention of the Division's Indigenous employees.

"We thought that having an Indigenous liaison who could support employees with what they were facing may assist in retention," says Bronwyn. "My first thought was maybe something like this already exists within our Employee Family Assistance Program (EFAP), so I reached out to Cathy Tucker, HR Manager, Total Rewards. We then learned our EFAP provider has an Elders Program in place."

For more information, please call **1-855-374-1895**. All interactions and services offered through Homewood Health are strictly confidential.

Tolko's **Employee Family Assistance Program (EFAP)** provides Indigenous employees and their family members access to a service called the **Aboriginal Elders Program**, which offers the following:

- The client/employee sources their own Elder/Healer who they feel comfortable with, and then calls in to Homewood to register the relationship
- The Elders are not staffed clinicians through Homewood
- Homewood contacts the Elder with registration documents, gets them set up
- The employee and Elder set up their own appointments – Homewood is notified of these appointments
- At the conclusion of the counselling (within Homewood's short term counselling model), Homewood provides a financial gift to the Elder/Healer

Scot Durward, Manager, Operations & Woodlands HR, says that this program also qualifies as an initiative to support Tolko's **Bronze-level Progressive Aboriginal Relations (PAR) certification**. "One of the requirements of the PAR certification is to implement a robust retention strategy for Indigenous employees, and Tolko's Elder EFAP Program supports this very well."

> LEARNING & GROWING TOGETHER

Mentoring Program a Good Fit for Women at Tolko



Weijie Wang

After the Williams Lake mill fire, Weijie Wang found herself in transition. The three-year Tolko employee went to work in Quesnel before taking on the role of Quality Improvement Coordinator for Okanagan Veneer Based Business (VBB) at Tolko's

White Valley and Armstrong Divisions. In the shift from lumber to plywood, Weijie felt less confident.

Fortunately, thanks to Tolko's Mentoring Program, Weijie had someone to talk to.

The Women's Mentoring Program was a pilot project that ran from February to July 2019 and paired employees who were a fit professionally and wanted to participate in a two-way transfer of knowledge and experience.

Weijie was paired with Donna Kelman, Credit Manager at Tolko. Weijie felt comfortable reaching out to Donna, a 20-year employee, for advice and to share ideas.

"The biggest thing I learned is that it's okay to be vulnerable," says Weijie. "Before, I wouldn't say I liked the word as I thought it sounded weak. I didn't want to tell people that I was vulnerable or unsure of something. Donna said it was okay to be authentic and to be myself. I've learned that if I don't know the answer right away, I can ask questions and learn from others."

Weijie and Donna first learned about the value of mentorship for women at the Minerva Women Leading the Way Leadership Development Program. Research shows that mentorship is critical to helping aspiring women gain the perspective and connections

they need to take on larger roles and advance their careers, and mentees are found to feel more satisfied with their jobs, experience better performance, and be more innovative.

"As a long-time employee, I saw becoming a mentor as an opportunity to share my knowledge and experience with others," says Donna. "I believe in transferring knowledge as much as I can. When Weijie and I first sat down and started talking, I remembered what we learned at the different courses we took through the Women's Leadership Impact Program. We had open conversations. The program helped me apply my learning in a real-life situation."

During the Women's Mentoring Pilot Program, Donna and Weijie discussed Weijie's career aspirations and how to navigate different workplace situations.

"I don't have very many female co-workers to talk to on the operations side," says Weijie. "Donna was able to help me as she is used to speaking with male managers. In the past, I didn't have the same opportunity to express my concerns."



Donna Kelman

Even though the pilot has ended, the women have continued their relationship. Both agree that the mentoring has provided them with helpful lessons that can be used on the job or at home.

“I hope through the conversations we’ve had that I’ve encouraged Weijie to keep practicing her leadership skills at every opportunity,” says Donna. “Mentoring is about having the conversations that we all need to have. Sometimes

“The program opens the door to learning something new, and it’s a life-long learning process.”

you need to vent, or you need help with something like a personality issue, or you’re just having an off day. Talking about how to proceed and bouncing off ideas with someone is so helpful.”

“My suggestion for those interested in mentoring is to be open-minded,” adds Weijie.

“There is no risk in trying it out. Mentoring is about opening the door to learning something new. It’s a life-long learning process.”

DID YOU KNOW...?

Tolko works with over 80 Indigenous communities in western Canada and over 100 Indigenous suppliers. Over 8% of Tolko’s employees self-identify as First Nations, Métis, or Inuit.

Want to learn more about Indigenous culture in Canada?

Tolko is pleased to launch its new **Indigenous Cultural Awareness e-Learning** module. It covers the history of Indigenous peoples, their distinct identities, the challenges they have faced, and how we can all work together. The module takes approximately 60 minutes to complete.

Visit tolko.com and then from the top menu bar click the ‘**Indigenous Partners**’ tab to navigate to the module.





PAR CERTIFICATION

A Path Toward Reconciliation

Photo, from left to right: Andrew de Vries, Scot Durward, and Tom Hoffman of Tolko Industries Ltd.

Last August, we announced that the Canadian Council for Aboriginal Business (CCAB) awarded Tolko Bronze-level standing in its Progressive Aboriginal Relations (PAR) certification program.

Company-wide initiatives in **leadership actions, business development, employment, and community relations** are rigorously evaluated and verified to determine a Gold, Silver, or Bronze-level qualification. In September 2019, Tolko was presented with a Bronze-level certificate by CCAB representatives at an awards ceremony held in Vancouver, BC. Tolko became the first forest company operating in multiple provinces to attain this certification.

“The PAR certification recognizes our ongoing commitment to Reconciliation and to establishing partnerships with Indigenous groups based on trust and mutual respect,” says Andrew de Vries, Tolko’s Manager, Indigenous Opportunities. “PAR certification signifies that Tolko is a good business

partner, a great place to work, and committed to prosperity in Indigenous communities.”

Aligned with Tolko’s values of Respect, Integrity, and Progressiveness, PAR certification also delivers on the “Employer of Choice” pillar of Tolko’s **Power of Great** strategy.

“PAR is proving to be an excellent framework to support our Indigenous inclusion strategy, including the retention of workers through career development, growth, and mobility,” says Scot Durward, Tolko’s Manager, HR Operations & Woodlands. “The framework helps us achieve an equitable representation of Indigenous employees in all three Canadian provinces where Tolko operates.”

A couple examples of programs that support our PAR certification include cross-cultural training and Tolko’s EFAP Elders Program.



“Our aim is to provide staff with the knowledge they need to better support Indigenous employees in the workplace and in the community.”

“Online and frontline training on Indigenous culture for all staff is an important first step to raising cultural awareness,” says Scot. “Our aim is to provide staff with the knowledge they need to better support Indigenous employees in the workplace and in the community.”

A quick look around Tolko shows that progress is being made. High-profile events and meetings will open with an acknowledgment of the traditional territory in which they operate. Orange shirts are worn in September in

recognition of the negative impact of Canada’s Indian residential schools, and Indigenous Peoples’ Day is promoted company-wide on June 21. And, First Nations’ art is on display at some Tolko divisions.

Recognizing and integrating First Nations culture, traditions, and values in our everyday environment at Tolko help make Indigenous co-workers, business partners, and friends feel welcome. With its strong roots in inclusion and continued company-wide growth in all four PAR performance areas, Andrew and Scot are optimistic that Tolko will achieve its Silver, and then Gold-level certifications within the next three to five years.

BUILDING DIVERSITY AND INCLUSION AT TOLKO

A diverse workforce is a strong, innovative path to a sustainable future for Tolko. Understanding our workforce allows us to enhance programs and services for all.

Thanks to all of you who participated in our self-identification survey last December!

- **62% of Tolko employees completed the self-identification survey**
- **8.2% of employees self-identified as Indigenous**
- **3.4% of employees self-identified as a visible minority**

At Tolko, we want the workforce to reflect the diversity of our communities.

The 2016 census reported an Indigenous population of 7.2% in BC, Alberta, and Saskatchewan combined. This information will help us develop relevant and tailored programs for our employees, allow us to track our progress, and ensure that our initiatives further diversity and inclusion at Tolko.

➤ LEADING BY EXAMPLE

Supporting our employees to become stronger leaders

We spoke with Donna Kelman, Credit Manager and Leslie Joles, OAC Supervisor who attended Tolko's Leadership Impact Program in 2017 and 2019 respectively to find out how the training has positively influenced their work. Here's what they had to say!

On how the program impacted me:

"Rarely does a course leave me with as many takeaways as Taking the Stage," says Leslie. "The fast-paced, safe, and empowering environment challenged me to dig deeper and to get more comfortable being uncomfortable."

Donna's takeaways were similar: "The program had a big impact on me; it really changed me personally and gave me the courage to be the leader I am today," says Donna. "By learning how to be vulnerable, I was able to understand what was holding me back from my potential. It has been very liberating."

On how I "show up":

Both ladies agree that leading by example is key to creating a safe, inclusive environment where every employee feels valued. Leslie emphasizes that how you show up each day, in each conversation, is up to you.

"Creating conversations that matter, starting a conversation to hear what others are thinking, is my new favourite thing to do," adds Donna. "It's about staying curious to learning so we can all bring a diverse approach to solving problems together."



Donna Kelman



Leslie Joles

On facing new challenges:

Helping people discover that their voice matters is something Donna is passionate about. "Every role at Tolko is important," says Donna. "As a manager, I try my best to make sure that everyone on my team knows that their opinions and viewpoints are valid."

Leslie echoes this sentiment, saying, "We need to ensure that we value ourselves, each other, and what we offer – we all matter."

Both Leslie and Donna see an inclusive culture as foundational in supporting Tolko's values. Leslie believes that by demonstrating mutual respect, personal integrity, and authentic, open communication, we can support our other values of Safety, Progressiveness, and Profit.

What can you do to help create an inclusive culture at Tolko? It takes intention and practice and it's often easier said than done, but here are some practical steps you can take:

- Show up with intention every day, in every conversation, in every email
- Be present in conversations – really listen to what the person is saying
- Recognize, seek out, and embrace different points of view – we all have unique strengths
- Stay curious and open to new ideas – ask lots of questions!

> PAYING IT FORWARD



It's important to recognize employees when they go above and beyond to create a work environment where everyone feels welcome. For Shirley Toner, a Shipping Technician at our Meadow Lake Division,

helping others and making them feel like they're truly a part of the Tolko team comes naturally.

Last December, Shirley recognized Meadow Lake Division's truck drivers by offering them snacks, including some home baked goodies, and beverages specific to their cultural backgrounds.

Shirley is grateful to Tolko for covering the majority of the cost for the snacks and beverages and for giving her the time to set things up. She says, "I think everyone likes to feel appreciated and know that they matter. I'm happy it made a difference in their day."

Zach Funk, Shipping Team Leader says, "Not only does Shirley display the company values on a daily basis, but to recognize and celebrate the different cultures of our truck drivers in such a genuine way is an awesome gesture and shows that she really cares about diversity and inclusion in the workplace!"

Sherri Roger, HR Business Partner in Meadow Lake says, "Gestures like this one are so important as they truly promote diversity and inclusion in our workplace. Thanks, Shirley, for everything you do!"

DIVERSITY & INCLUSION DATES OF NOTE

FEBRUARY 2020

26 Anti-bullying Day (Pink Shirt Day)

JULY 2020

1 Canada Day

MARCH 2020

8 International Women's Day

SEPTEMBER 2020

21 - 25 Gender Equality Week

30 National Truth & Reconciliation Day
(Orange Shirt Day)

JUNE 2020

21 National Indigenous Peoples Day (Canada)

FEEDBACK

Questions, suggestions, or comments about the Circular can be directed to our confidential e-mail: corporatecommunications@tolko.com

Check out our Diversity & Inclusion pages on TOLKO.COM and TNet!

Website: <https://tolko.com/responsibility/diversity-inclusion>

TNet: Visit the TNet home page and click on the Diversity and Inclusion link at the top right.

MYTH BUSTING

DIVERSITY IS ABOUT DIFFERENCES

In a way this is true. The nature of diversity is difference. However, diversity in organizations is not only about differences; it's about commonalities as well. We use commonalities to create connections and build relationships while the differences help us to see unique perspectives, and to solve problems and resolve conflict more effectively.

It's important to understand that we all want to be respected and still know that there are differences in how we show respect. It's important to believe that we all want to be successful and appreciate that we all define success differently. It's important to understand that we are all human while still recognizing the historical and systemic challenges that some groups face.

Source: <https://www.susanmccuistion.com/blog/top-5-diversity-myths>

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