Canadian Forest Management: What’s with the Boreal?

Forest Resources Association
October 6, 2007

FPAC Overview

• Mandate: Voice of the Canadian Forest Industry on public policy issues at the national and international levels

• Vision: A leader in advancing the global competitiveness and sustainable stewardship of the Canadian Forest Products Industry

• Focus Areas:
  • Vision, Reputation & Leadership
  • Access to Markets
  • Business Climate

• Values:
  • Results-oriented
  • Transparent & Proactive
  • Information/science based
  • Collaborative
FPAC Vision
A leader in advancing the global competitiveness and sustainable stewardship of the Canadian forest products industry.

FPAC Sustainability Statement
The Canadian forest products industry contributes to society’s well-being through its products and activities - from forest to market. FPAC members are committed to a sustainable development path built on a profitable and competitive industry.

We will operate in a manner which is: Economically viable, Environmentally responsible, Socially desirable

<table>
<thead>
<tr>
<th>Economic Viability</th>
<th>Environmental Responsibility</th>
<th>Social Desirability</th>
</tr>
</thead>
<tbody>
<tr>
<td>To maintain the profitability of our industry as the basis for sustainable development</td>
<td>To ensure our activities are conducted in a sustainable manner that protects the environment</td>
<td>To conduct our business with integrity and reflect evolving societal values in our performance</td>
</tr>
<tr>
<td>- Financial viability: Ensure the profitability of our industry and its long-term economic viability.</td>
<td>- Environmental performance: Comply with all applicable regulatory requirements and continuously improve the environmental performance of our operations.</td>
<td>- Our employees and workplace safety: Provide economic opportunities and a safe and productive work environment for our employees and contractors.</td>
</tr>
<tr>
<td>- Competitiveness: Continuously improve the competitiveness of our industry within the global marketplace.</td>
<td>- Sustainable forest management: Practice sustainable forest management in all our operations in accordance with recognized standards, and ensure wood supply is from legal sources.</td>
<td>- Community and stakeholder relations: Engage our stakeholders in a proactive and transparent manner, and be respectful of their interests.</td>
</tr>
<tr>
<td>- Customer focus: Develop and deliver quality products and services to meet present customer and future market needs.</td>
<td>- Resource use: Continuously improve the efficient use of natural resources, material, and energy.</td>
<td>- Relations with Aboriginal Peoples: Be respectful of the economic and cultural interests of Aboriginal Peoples, and encourage their participation in the forest products industry.</td>
</tr>
<tr>
<td></td>
<td>- Product Recycling: Promote and continuously improve product recovery</td>
<td>- Economic contribution: Contribute to the economic and social well-being in communities where we operate, as well as regionally and nationally.</td>
</tr>
</tbody>
</table>

Canada’s Forest Regions
310 Million Hectares

- Boreal — Predominantly forest
- Boreal — Forest and barren
- Boreal — Forest and grass
- Subalpine
- Montane
- Coastal
- Deciduous
- Great Lakes - St. Lawrence
- Acadian
- Grasslands
An Immense Forested Landscape (Millions of hectares)

Ownership Of Canadian Forests

Source: FRA 2000, Main Report, UNFAO

Source: Canadian Forest Service, State of Canada's Forests
### Today’s Forest as a % of Original Forests (area)

- **CANADA**: 31%
- **Norway**: 90%
- **Sweden**: 82%
- **Finland**: 80%
- **Russian Federation**: 60%
- **Brazil**: 60%
- **Indonesia**: 54%
- **Malaysia**: 53%
- **United States**: 52%
- **Chile**: 40%
- **New Zealand**: 29%
- **Germany**: 20%
- **China**: 11%
- **France**: 11%
- **United Kingdom**: 6%

Source: Earth Trends 2001, World Resource Institute, Forests and Grasslands country reports

### Protected Forest Area (million ha)

- **CANADA**: 40 million ha
- **United States**: 30 million ha
- **Brazil**: 23 million ha
- **Indonesia**: 19 million ha
- **Russian Federation**: 15 million ha
- **China**: 15 million ha
- **Chile**: 4.5 million ha
- **Germany**: 2.6 million ha
- **New Zealand**: 1.8 million ha
- **Malaysia**: 1.6 million ha
- **Finland**: 1.5 million ha
- **France**: 1.5 million ha
- **Spain**: 1.5 million ha
- **Sweden**: 0.5 million ha
- **United Kingdom**: 0.5 million ha
- **Norway**: 0.2 million ha

Source: A Global Overview of Forest Conservation, WCMC, UNEP, CIFOR, 1997
Boreal Forest

- Forest accounts for 25% the world’s land
  - Canada has 10%
- 33% is boreal
  - Russia >50%
  - Scan/Alaska 20%
  - Canada 30%

Canadian Boreal: An Important Landscape

- Largest Forest Region
  - 1.4 billion acres
  - 58% of Canada’s land mass
  - 95% is public land
  - Average age is 100 years
- Multiple values
  - 1300 rural communities
  - 75% of sector’s fibre
  - 50% of annual harvest
  - 30% of Canada’s wetlands
  - Many wildlife species
  - 70% un-accessed
Large Natural Disturbance Drives the Boreal Ecosystem

Fire and insects account for 80% of boreal disturbance
Natural Boreal Dynamics

Forest Management Planning and Regulation

- **Federal government has indirect responsibilities**
  - Federal lands
  - Science
  - National Policy & Legislation (National Forest Strategy, fisheries, migratory birds, species at risk)
  - International agreements (Environment, Trade, etc)

- **Provincial governments have main jurisdiction over forest management**
  - Long term tenures (forest area or volume)
  - Comprehensive legislation & conditions
  - 20-25 year forest management plans
  - Rolling 5 year development plans and site specific annual operational plans
  - Forest management plans subject to public review prior to approval.
**Forest Regeneration**

- **Annual allowable cut:**
  - 230 Million cubic meters

- **Annual harvest:**
  - 200 Million cubic meters
  - 1 million hectares a year
  - ½ of 1% including in boreal

- **All harvested areas promptly regenerated (by law)**
  - +500 million seedlings planted each year
  - Regeneration: 50/50 natural & planting across Canada

---

**Cashore Report**

“This Report demonstrates that the stringency of Canadian forestry regulations compare with the most stringent of policies elsewhere in the world. In most cases, Canadian policy and regulation is non-discretionary and involves specific requirements. Results of this study indicate that Canada is well positioned to begin much needed global efforts to address important problems concerning the world's forests.”

Benjamin Cashore, Association Professor, Sustainable Forest Policy, School of Forestry and Environmental Studies, Yale University
Canada’s World Leading Commitment

- **FPAC’s Commitment** – CSA, FSC or SFI 3rd party certification as a condition of membership

- **Scope** - All public and private lands directly managed by FPAC members

- **Note** - There are additional lands committed beyond 2007 due to new members and new acquisitions.

SFM Certification – Canada in Context
June 2007 (millions of ha)

- **Canada** 134
- **USA** 42.7
- **Finland** 22.2
- **Sweden** 17.2
- **Russia** 8.9
- **Germany** 7.8
- **Australia** 5.7
- **Malaysia** 4.8
- **Brazil** 4.3
- **France** 4
- **Chile** 2
A Sustainable Supplier: FPAC Commitments

**Certification (2002)**
- All FPAC members with woodlands operations in Canada are committed to achieve third-party sustainable forest management certification on those woodlands by December 31, 2006.

**Sustainability Initiative (2005)**
- **SFM Principle:** “Practice sustainable forest management in all our operations in accordance with recognized standards & ensure that wood supply is from legal sources.”

**Illegal Logging (2006)**
- “…Purchasing and using wood coming only from legal sources, and firmly condemning corruption and criminal activities related to illegal logging.

**Traceability (2006)**
- FPAC members commit to tracing their fibre supplies back to the forest area of origin, by the end of 2008, to assure customers that the wood fibre they are using comes from legal sources.”

---

**Market Campaigns**

- Pressure on customers started in Europe in 90’s
- Wood → Paper
- Increased focus
  - BC Coast → Boreal forest
  - Finland
- Central issues
  - Endangered forests
  - Recycled content
  - Forest Certification
  - Illegal Logging
  - Climate Change
- Policy issues
  - Procurement
  - Financing
FPAC Market Leadership Program

Goal
• Maintain/Enhance markets for Canadian Forest Products

Audiences
• Customers/ Customer Groups/ Market Leaders/ Regulators

1. Build Credibility
2. Communicate with Markets
3. Create Broad Market and Sector Support

1. Building Credibility: Science, Partnership, and Engagement

- Ducks Unlimited Canada
- metaFore
- NatureServe
- WWF
- CANADIAN BOREAL INITIATIVE
- Canadian Forest Service
- Environment Canada
Key Positioning Elements

<table>
<thead>
<tr>
<th>Issue</th>
<th>FPAC activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>• High Value Forest Identification tools (WWF)</td>
<td></td>
</tr>
<tr>
<td>• Protected areas Conservation Lands Project (CFS)</td>
<td></td>
</tr>
<tr>
<td>• Conservation Planning National Boreal Principles (CBI)</td>
<td></td>
</tr>
<tr>
<td>• Water Conservation Watershed planning (DU)</td>
<td></td>
</tr>
<tr>
<td>• Species at Risk Caribou, Migratory Birds</td>
<td></td>
</tr>
<tr>
<td>• Certification 100% by 2007</td>
<td></td>
</tr>
<tr>
<td>• Illegal Logging 2005 FPAC Position Paper</td>
<td></td>
</tr>
<tr>
<td>• Traceability 100% by 2009</td>
<td></td>
</tr>
<tr>
<td>• Responsible fibre use Fibre Cycle Study (MetaFore)</td>
<td></td>
</tr>
<tr>
<td>• Climate Change Carbon Neutrality Project</td>
<td></td>
</tr>
</tbody>
</table>

Boreal Project Examples

- **High Value Forest Identification Toolkit**
- **Protected Areas Representation Analysis**
- **Clarification of areas for Special Management**
- **Boreal Wetland Mapping**
  (via member-specific projects)
- **Hydrological Risk Mapping**
- **Road Best Management Practices**
  - rate of cut, block size & block location guidelines
  - Least cost / ecological risk road network and harvest schedule
- **Boreal Conservation Planning Workshop**
  (Govt, industry, engo, aboriginal)
- **Commonly supported boreal conservation planning principles**
Conservation Lands in the Managed Forest

All Boreal members involved
Sample size: 25% of boreal tenures
40% of total area identified for biodiversity conservation

2. Communicating with Markets

1. Intelligence Gathering & Communication Tools
   - Customer Surveys
   - Customer Briefing Notes
   - Customer Newsletter
   - Customer Page on Website

2. Open Dialogue with Market Influencers
   - Forest Tours
   - Direct communication (customer groups)
   - Corporate Forum on Paper and the Environment
2. Communicating with Markets
e.g. Corporate Forum on Paper and Environment

- Forum for dialogue between FPAC members and large North American P&P customers
- Joint projects
  - Fibre Cycle, Paper Recovery, Forest Management
The Way Forward

- SUSTAINABILITY
- COMPETITIVENESS
- SOCIAL LICENCE
- PARTNERSHIP
- PROACTIVE

FPAC Members

[Logos of various companies]