



WHAT'S UP IN Canada's Forest Sector?

NOVEMBER 2009

FOREST CERTIFICATION
PROGRAMS IN CANADA

EXPORTING CANADA'S
FOREST PRODUCTS
TO ASIA

CANADA'S
RESPONSIBLE
FIBRE CYCLE

Did You Know?

Well-managed forests yield immense environmental and economic benefits. As concern about a changing climate grows, there is more interest in the environmental impact of all products - including wood and paper. This issue of What's Up in Canada's Forest Sector? examines some of the ways Canada's forest sector is addressing climate change, and how it is able to assure customers around the world that it is delivering products from legal sources and well-managed forests.

Basics of Independent Forest Certification

Buyers today need to know the fibre in wood and paper products is from forests that are managed legally and responsibly. They need to know harvested areas are reforested promptly, appropriate environmental controls are in place, special places have been protected, and climate issues have been addressed.

Third-party forest certification delivers this assurance, and much more. It began in the 1990s as a response to concerns about destructive logging practices and forest conversion, primarily in tropical regions. Today, certification programs

around the world offer a stamp of approval that tells environmentally savvy consumers the fibre in wood or paper-based products have been harvested legally from forests managed to meet widely accepted environmental and social standards.

Certification is a rigorous process. A qualified certification body with a wide range of expertise audits a forest operation's planning, procedures, systems and on-the-ground performance against a specific standard. If the operation is in compliance, a certificate is issued.

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Did You Know?

By mid 2009, Canada had **146 million hectares** of third-party certified forests – **three times more than any other country**. As a result, customers are more likely to find **certified forest products** to meet any need.

By law, forest companies that **harvest public lands** must regenerate them to **reflect the original natural diversity**.

Forest Certification Programs in Canada

The three third-party forest certification programs used in Canada are:

The **Canadian Standards Association's** Sustainable Forest Management Standard (CSA SFM Z809-08) is based on nationally and internationally recognized criteria for sustainable forest management. It addresses environmental, social and economic issues and requires a rigorous public participation process.
www.csasfmforests.ca

The **Forest Stewardship Council** (FSC Principles and Criteria) is an international non-profit organization that supports environmentally appropriate, socially beneficial and economically viable forest management.
www.fsccanada.org

The **Sustainable Forestry Initiative** (SFI 2005-2009 Standard) includes environmental objectives and performance measures and integrates the growing and harvesting of trees with the protection of a variety of conservation goals.
www.sfi-program.org

CSA, FSC and SFI all promote sustainable forest management by requiring that harvested areas are reforested; laws are obeyed; biological diversity is conserved; wildlife habitat, soils and water resources are maintained; and timber harvesting is sustainable. They require that certified organizations comply with all of Canada's applicable laws. This tells the buyer that the fibre is the result of legal activities that meet the many laws governing forestry in Canada.

Basics of Independent Forest Certification



Continued from Cover

Canada is a world leader in forest certification, and three respected programs are used in the country – the Canadian Standards Association (CSA), the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). All promote sustainable forest management by requiring that harvested areas are reforested; laws are obeyed; biological diversity is conserved; wildlife habitat, soils and water resources are maintained; and timber harvesting is sustainable.

National and regional forest certification programs can achieve

international endorsement through one of two independent global programs – FSC International and the Programme for the Endorsement of Forest Certification schemes (PEFC). To be endorsed, programs must meet common international requirements and must be developed in a multi-stakeholder process. In 2005, the CSA and SFI programs were endorsed by PEFC.

Forest certification is often complemented by chain-of-custody certification, which is a mechanism used to track wood products from a certified forest as well as any uncertified sources, to ensure their integrity. The FSC and SFI programs have on-product labels, and CSA uses the Programme for the Endorsement of Forest Certification schemes (PEFC) label. A recent survey from China Council for the Promotion of Environment and Forest found that more than 325 Chinese companies have acquired chain-of-custody certification, and the number keeps growing.

An on-line search tool is available at www.certifiedwoodsearch.org/fpac/ so customers can identify Canadian companies offering certified products. More information about forest certification in Canada is available at www.certificationcanada.org.

Meeting High Expectations

The three independent certification programs used in Canada have been endorsed by a variety of respected international organizations, including governments around the world.

After a rigorous assessment in 2008, the United Kingdom's Central Point of Expertise on Timber confirmed CSA, FSC and SFI meet its government's requirements for 'legality' and 'sustainability'. This means products certified to the three standards can be used for the London 2012 Olympic Games, which is committed to breaking new ground in sustainable and responsible sourcing.

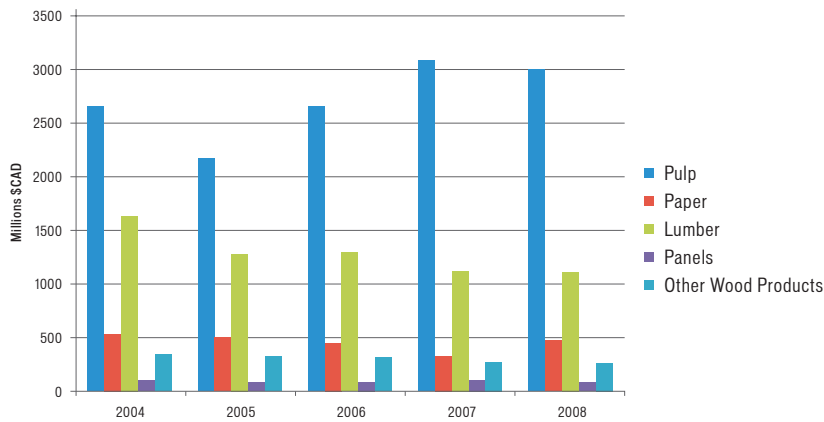
In 2008, The Canadian Council of Forest Ministers released a statement about sustainable forest certification in Canada, which said: "The forest management standards of the Canadian Standards Association (CSA), the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) are all used in Canada. Governments in Canada accept that these standards demonstrate, and promote the sustainability of forest management practices in Canada."

A guide issued by the Competition Bureau of Canada about environmental claims and advertising in 2008 (Environmental Claims: a Guide for Industry and Advertisers) says the preferred approach for forest products is to identify them as coming from a forest certified to a standard such as SFI, CSA and FSC.

Did You Know?

The **regulatory framework** in place in each Canadian province effectively **prevents illegal logging**. Canada has a **multi-faceted governance structure**, which includes **well-developed public policies**, legislation and regulations, enforcement, **regular monitoring and public reporting**.

Canada's Forest Product Exports to Asia



In 2008, Canada exported \$4.9 billion (CDN) worth of forest products to Asia. Pulp made up 61 per cent of the total, or close to \$3 billion. This is followed by lumber (23% or \$1.1 billion), paper (10% or \$473 million); other wood products (5% or \$263 million) and panels (2% or \$77 million). Eighty per cent of these products, worth \$3.9 billion, were exported to China (34%), Japan (29%), South Korea (10%) and Taiwan (7%).

Improving the Environmental Performance of Canadian Mills

The Government of Canada has created a \$1-billion Pulp and Paper Green Transformation Program to improve the environmental performance of Canada's pulp and paper sector. The funding will be used for capital investments such as improved energy efficiency or increased production of alternative energy.

"By making a smart investment today, we are laying the ground work for a greener, more secure future for the pulp and paper sector and the people who work in it," says Canadian Minister of Natural Resources Lisa Raitt.

Pulp mills in Canada that produce a liquid byproduct called black liquor are eligible for funding based on the amount of black liquor they burn until the \$1 billion is fully allotted. Black liquor is routinely burned in recovery boilers to recover pulping chemicals for further use and to generate renewable heat and power.

Meeting High Standards

Since 1990, Canada's pulp and paper sector has spent more than \$8 billion on environmental improvements for water and air, and has achieved dramatic results - including a 93 per cent reduction in harmful toxins and a 62 per cent reduction in particulate emissions from mills.

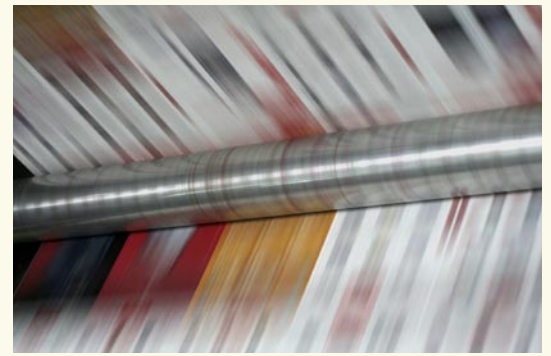
Almost 60 per cent of the total energy used by the pulp and paper mills in Canada comes from bioenergy - a carbon-neutral energy source derived from industrial byproducts such as bark, wood shavings and sawdust.

Despite challenging market conditions, Canada's forest sector continues to invest billions each year in facility upgrades and innovative practices to mitigate the causes and impacts of climate change. It has also made tremendous advancements in addressing local air and water quality, and greenhouse gas emissions and is committed to continual improvement based on sound science and the use of modern technologies.



The Crofton mill on Vancouver Island has a long record of active energy and environmental management, and has made major strides in replacing fossil fuel with wood waste.

Photo credit: Canajay Paper



Canada's Responsible Fibre Cycle

Canada's paper fibre cycle depends on fresh fibre from well-managed forests and a strong recovery network that values and collects discarded paper products for reuse.

In Canada, about 87 per cent of the fibre used to make new paper and paperboard comes from a combination of sawmill residues and recycled paper - and close to one third of the fibre used to make new paper comes from recovered paper.

Fresh fibre is necessary for the production of paper products. Recycled fibre breaks down with each use and about 15 per cent of paper products, such as tissues and documents stored for extended periods of time, cannot be recycled.

Research conducted by the non-profit Metafore group found that without fresh fibre from sawmill residues and harvesting, paper supplies for magazines in North America would disappear in weeks, and supplies for newspapers and cardboard boxes would disappear in months.

Canada's paper industry recycles nearly three times as much as it did almost two decades ago - it currently recycles more than five million tonnes of paper each year. Between 1996 and 2001, Canadian mills reduced their landfill wastes by nearly 40 per cent.


Canada's solid wood and pulp and paper industries complement each other. Fibre for pulp and paper production comes from sawmill wood waste that at one time was burned or sent to landfills. Trees that do not have the high quality needed for higher-value products such as dimensional lumber may be used as pulp logs.

BRIEFS

CHINA CANCELS TARIFFS

 **BEIJING** China cancelled tariffs on newsprint paper imports from Canada, the United States and South Korea, effective on June 30, 2009. The duties, which ranged from 59 per cent to 78 per cent, were imposed in 1999 and renewed in 2004 following complaints from Chinese paper suppliers.

B.C. WOOD ROOFING IN CHINA

 **VICTORIA** The commercial use of British Columbia wood for apartment re-roofing has expanded for the first time into northern China. Through a memorandum of understanding with the Province of Hebei, up to 150 apartment buildings in the city of Shijiazhuang will be renovated using British Columbia forest products and Canadian wood-truss construction systems.

Saskatchewan Exploring Biomass Energy

Canada's western province of Saskatchewan is exploring the potential of turning wood residue and other biomass sources into climate-friendly energy sources. Saskatchewan wood production facilities already improve both environmental and economic efficiency through heat and power cogeneration processes using production residuals. A new generation of biomass energy entrepreneurs now is evaluating the potential of taking this a step further - turning mills that are currently shut down into "green" power plants.

For example, Iogen Corp., one of Canada's leading biotechnology firms, proposes to use a pulp and paper mill in Prince Albert, which has been closed since 2006, as a power plant that converts forest and ethanol plant residues into green electricity.

If the project is approved by Iogen's board and shareholders, the company will work with the Government of Saskatchewan and forestry companies to make spare boiler capacity available on a commercial basis to forestry companies that want to generate power from forestry residual biomass.

This will establish Saskatchewan as a centre of excellence in straw conversion to ethanol, create an outlet for forest residues, generate income for local farms and create permanent and construction jobs.

The project represents an opportunity for combined use of Saskatchewan's extensive agricultural and forest cellulosic residual resources through a single biomass energy conversion process. It is a different type of cogeneration process - combining production of a biofuel from agricultural cellulosic materials with the production of green power from woody biomass - one that could create a future pathway to incorporate lignocellulosic ethanol production and develop a broader biorefinery facility.

EVENTS

Join Us at Local Trade Shows

Canada's forest sector will have representatives at the following trade shows this fall:



The Japan Home and Building Show in Tokyo from November 11 to 13 (www.jma.or.jp/jhbs/en/)

Did You Know?

Canada's paper fibre cycle depends on fresh fibre from *well-managed forests* and a strong recovery network that values and *collects discarded paper products* for reuse.

About *eight per cent* of Canada's forest area is in parks and other *formally protected areas*, and conservation efforts emphasize representative *examples of biodiversity*.

RECENT PUBLICATIONS

The following materials are posted at www.naturallywood.com and can be ordered in English, Chinese and Japanese from info@naturallywood.com.



Building Green with Wood is a series of fact sheets examining ways to reduce the environmental impact and improve the operating performance of buildings through green design. Topics include energy conservation, durability and adaptability, health and well-being, climate change, and green building tools.

WHAT'S UP IN CANADA'S FOREST SECTOR?

What's Up in Canada's Forest Sector? examines Canada's diverse forest products sector and invites views from representatives of companies working with markets in Asia. Issued quarterly, it delivers the facts about forests, operations and products for buyers and builders in Asian countries who are considering Canadian forest products for their building and paper needs. Contact us at info@naturallywood.com with comments and suggestions.

For more information, visit the Canada Wood website at www.canadawood.org or contact your local Canada Wood office:

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Japan Tokyo Tel: 81-3-5401-0531 **Korea** Seoul Tel: 82.2.3445.3835/4

FOR MORE INFORMATION ABOUT CANADA'S FOREST SECTOR, VISIT:

The Forest Products Association of Canada (www.fpac.ca) represents the largest Canadian producers of wood products, pulp and paper. Its website includes information about a variety of topics, including a Buyers' Guide to Canada's Sustainable Forest Products to help customers create a sustainable forest products procurement policy.

Forestry Innovation Investment (www.naturallywood.com) is a British Columbia government agency that delivers the facts about British Columbia's forests and how they are managed, and the province's high-quality, environmentally responsible forest products.



Increasingly, responsible buyers of forest products want to source from producers that adhere to the following 5 principles:

1. Harvest legally.
2. Regenerate promptly.
3. Reduce waste and support recovery and recycling.
4. Reduce greenhouse gases and help fight climate change.
5. Welcome independent scrutiny of how they manage forests.