

Making Sure Wood and Paper are from Sustainable Sources

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Part I: ABCs of Buying Responsible Forest Products

The environmental footprint of forest products has joined price and quality as an essential element of a wise buying decision.

“The choice of wood, pulp and paper products can have far-reaching environmental and social implications,” says Avrim Lazar, President and CEO at the Forest Products Association of Canada (FPAC). “The challenge, of course, is that with today’s global markets it is sometimes hard to know if you are buying fiber from responsible sources.”

This is why more companies are developing procurement policies that ensure the products they buy come from sustainably managed forests – forests being managed to ensure the continued existence of the environmental, social and economic benefits they provide. These purchasing policies should support five key criteria:

1. **Legal harvesting:** Illegal harvesting is a large and growing problem in many parts of the world. Using only legally harvested wood would help to prevent illegal harvesting and the deforestation associated with it.
2. **Prompt regeneration:** Worldwide, deforestation is responsible for approximately 20 per cent of the world’s greenhouse gas emissions. Buyers must source products from forests that are regenerated promptly after harvesting.
3. **Waste reduction:** Producers can fight waste by ensuring that a high percentage of every tree harvested is used by turning sawdust and other residues into bioproducts such as biofuel, and supporting waste paper recovery and recycling.
4. **Greenhouse gas reductions:** Suppliers must commit to reducing greenhouse gas emissions in the production of wood and paper products.
5. **Open to public scrutiny:** Buyers must ask for independent assurance that forests are managed sustainably and regenerated promptly, appropriate environmental controls are in place, special lands have been protected, and climate issues have been addressed.



Responsible procurement means looking past the obvious. It is important to check the environmental impacts of a product or process from cradle to grave using an internationally recognized process called lifecycle assessment. The results can sometimes be surprising, says Lazar.

“Take recycled paper content as an example,” he says. “A procurement policy needs to address products made with both recycled content and fresh fiber. This is important because any measure of the environmental benefits of recycled fiber must consider factors such as whether waste paper has to be transported long distances and if additional processing is needed to de-ink and produce brighter paper grades. Life cycle assessment may show that harvesting and processing fresh fiber from sustainably managed forests is also an excellent environmental choice.”

North America’s paper fiber cycle depends on fresh fiber from well-managed forests as well as a strong recovery network because recycled fiber breaks down with each use and some paper products cannot be recycled.

The increasing interest in responsible procurement led FPAC to work with PricewaterhouseCoopers (PWC) to develop a Buyers’ Guide for forest products. It draws on the expertise of organizations around the world familiar with these types of production and marketplace issues.

“The Buyers’ Guide outlines questions procurement specialists should ask so they can be confident they are buying products that meet the high environmental standards demanded by their company and their customers,” says Lazar.

The guide, posted at www.fpac.ca, outlines the benefits of sourcing wood, paper and pulp from jurisdictions such as Canada and the United States where there is a solid commitment to sustainable forest management.

Part II: Confirming the Legality of Forest Products

These days, we are all watching for opportunities to lighten our carbon footprint. Surprisingly, one of the best things procurement specialists can do is simply make sure they are buying wood and paper-based products from legal, responsible sources.

Deforestation, mostly in the tropics, currently accounts for approximately 20 percent of greenhouse gas emissions worldwide.¹ Illegal logging, one of the main contributors to deforestation, also destroys habitats and undermines the viability of legally harvested forest products.

Actions such as amending the Lacey Act in the United States and developing the European Union's Action Plan for Forest Law Enforcement, Governance and Trade² indicate the growing concern about the legality of imported forest products.

"The choices buyers make every day can have an immense impact on important environmental issues, including climate change," says Lazar.

"We are fortunate in North America that illegal logging is not a major issue. However, illegal harvesting is a growing problem in many parts of the world. With today's global markets we need to ask tough questions before we sign on the dotted line."

Buyers should know where wood fiber originates, the supply chains it has followed and the manufacturing processes used to create the end product. Supporting documentation such as harvesting permits, contract clauses and bills of lading are proof that wood sources are being traced from well-managed sources. But the most effective way to check the history of a product is to ask if it comes from a forest certified to a credible third-party forest certification program.

The three independent certification programs used in North America – CSA, FSC and SFI – all set thresholds above and beyond regulatory requirements for forest management, and are endorsed by governments around the world. They can be complemented by chain-of-custody certification, which provides a link between certified forests and certified products.

"We are fortunate to have three well-respected certification programs," says Lazar. "This choice may be one of the reasons why the United States and Canada are world leaders in third-party forest certification." Approximately 10 percent of the world's forests are certified, and half of these certified lands are found in North America.

Access to certified products is just one of the benefits to sourcing wood, paper and pulp from jurisdictions such as Canada and the United States, where there are strong legal and institutional frameworks – and where companies welcome independent scrutiny of how they manage forests.

"You need to be more diligent if you are buying products from areas where illegal activity is more likely," Lazar says. "Using only legally-harvested wood prevents illegal harvesting and the deforestation associated with it."

In 2006, members of FPAC were among 93 industry signatories from around the world to sign a commitment to find ways to tackle illegal logging and trade in illegal forest products. That same year, FPAC members made a commitment to "trace fiber supplies back to the forest area of origin, by the end of 2008, to assure customers that all the wood fiber they are using comes from legal sources".

FPAC has also produced a Buyers' Guide to Canada's Sustainable Forest Products to help companies develop policies and programs for sustainable procurement and financing. You can check it out for more information and straightforward advice at www.fpac.ca.

Part III: Supporting Sustainable Forest Management

Renewable, recyclable, reusable wood and paper products are a great way to meet the world's growing demand for resources – as long as they are made from fiber that comes from sustainably-managed forests.

Sustainable forest management represents a careful balancing act to maintain the many environmental, social and economic benefits of forests so they are available today and for future generations.

"In Canada and the United States, we tend to take sustainable forest management for granted because of our comprehensive governance and enforcement systems," says Lazar. "But that's often not the case in other countries."

¹ World Resources Institute Navigating the Numbers www.wri.org/publication/navigating-the-numbers

As a result, many companies, especially those that source fiber from offshore markets, depend on sustainable forest product procurement policies to guide their buying decisions – based on principles related to a variety of environmental, social and economic issues.

“There has never been a time when it was as important to ask for independent assurance that forests are managed sustainably and regenerated promptly, that appropriate environmental controls are in place, that special places have been protected, and that climate issues have been addressed,” says Lazar.

Responsible procurement policies consider environmental interests – everything from water quality to maintaining natural biodiversity and wildlife habitat to combating climate change. Healthy forests absorb and store carbon in trees, soil and biomass and so can help fight climate change as long as harvested areas are reforested promptly.

Social values must also be addressed, including the rights and safety of forest workers, and respect for Aboriginal peoples, local communities and the many organizations and individuals who care about the forest. Economic well being relies on forests that remain healthy and productive so they can continue to support jobs and local economies, and deliver quality products.

Third-party forest certification provides independent assurance that forest management is meeting these principles, and much more. Procurement policies often give preference to products independently certified through a credible program such as the CSA, FSC or the SFI.

While the source of the fiber is a primary concern for responsible buyers, they shouldn't forget about product manufacturing issues, especially when buying pulp or paper. “Responsible buyers should look for producers who reduce waste, support recycling and recovery, and do everything they can to reduce greenhouse gas emissions,” says Lazar.

And that shouldn't be hard these days, he adds. “The paper industry has come a long way. Companies actively promote recycling, and use post-consumer waste products where appropriate. There have been tremendous improvements in local air and water quality, and greenhouse gas emissions have been cut dramatically. Sawmills and paper mills alike are often fueled by bioenergy made from mill residues.”

Part IV: A Forest Products Procurement Policy – A smart way to do business

In today's global marketplace, businesses that operate in an environmentally-progressive manner are often the preferred consumer choice.

When it comes to forest products, market complexity is an added challenge for buyers who want to make responsible decisions. A well-developed procurement policy is an excellent way to identify suppliers of sustainable, legal wood and paper products, and to send a clear signal that your company will not settle for anything less.

“A procurement policy helps companies identify forest products that are the best environmental choice,” says Lazar. “It also equips them with the facts they need to demonstrate their environmental commitment at a time when educated consumers are quite rightly demanding proof.”

Companies will want to make sure their procurement policies help identify producers who follow some key principles of sustainability, such as:

- harvesting legally and regenerating harvested areas promptly;
- reducing waste and supporting recovery and recycling;
- doing everything they can to reduce greenhouse gases and fight climate change; and
- welcoming independent scrutiny of how they manage forests.

Remember that a sustainable forest products policy is a long-term commitment, so companies will want to make sure they have management support and involve staff, suppliers and customers. They should start by reviewing existing internal company procurement materials for adaptable solutions. And when it comes time to write the policy, the use of clear unambiguous language is essential.

Some things to include in a sustainable forest products procurement/financing policy:

- **General intent** – Include a statement that explains your company's commitment and what you aim to achieve through your procurement/financing strategy.
- **Responsible fiber sourcing** – Outline supply preferences such as products that are third-party certified, come from legal sources, or are from forests managed to conserve ecological and cultural values.
- **Environmental performance** – List the environmental performance you expect such as protection of air and water quality, efficient use of resources, a commitment to recovery and recycling, and reduced dependence on fossil fuels.
- **Social responsibility** – Make it clear that you expect suppliers/borrowers to respect the rights of forest sector workers, local communities and Aboriginal people.
- **Research and education** – Show your commitment to continual improvement, awareness and accountability for environmental performance.

A final but critical step, is the inclusion of monitoring and reporting activities to measure progress and report on success, and also to look for opportunities to improve through experience.

"Just as responsible management keeps forests healthy and resilient, responsible procurement can keep a company strong," says Lazar. "A commitment to sustainability gives you an edge not only with customers but with everyone along the supply chain. And by supporting forest sustainability, you are encouraging better social and environmental practices."

FPAC, working with PricewaterhouseCoopers (PWC), has produced a Buyers' Guide to Canada's Sustainable Forest Products, which offers more detailed information and a sample procurement policy. You can find it at www.fpac.ca along with additional facts about responsible sourcing of wood, paper and pulp products.

The Forest Products Association of Canada (www.fpac.ca) represents the largest producers of wood products, pulp and paper in Canada.

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