

CANADA'S WOOD PELLETS

# SUSTAINABLE FOREST MANAGEMENT

Strong Regulations and Independent Certification

Canada's forests are some of the most resilient and sustainably managed in the world. They are subject to stringent environmental regulation, careful management, and extensive third-party certification. That's why customers requiring sustainable biomass products have confidence in the Canadian wood pellet sector.

Canada has a proven record of sound forest stewardship, with more than 90 percent of its original forest cover remaining and a growing network of protected areas that represent the country's biological diversity.

Forest policies in Canada centre on the concept of sustainable forest management with the underlying goal of achieving a balance between the demands on forests for products and benefits, and the maintenance of forest health and diversity.



## STRINGENT FOREST REGULATIONS; WORLD LEADING PRACTICES

Ninety-three percent of Canada's forests are publicly owned – 71 percent by the provinces and territories and 22 percent by the federal government. The remaining seven percent is privately owned. In some parts of the country, an increasing amount of forest is coming under Indigenous jurisdiction.

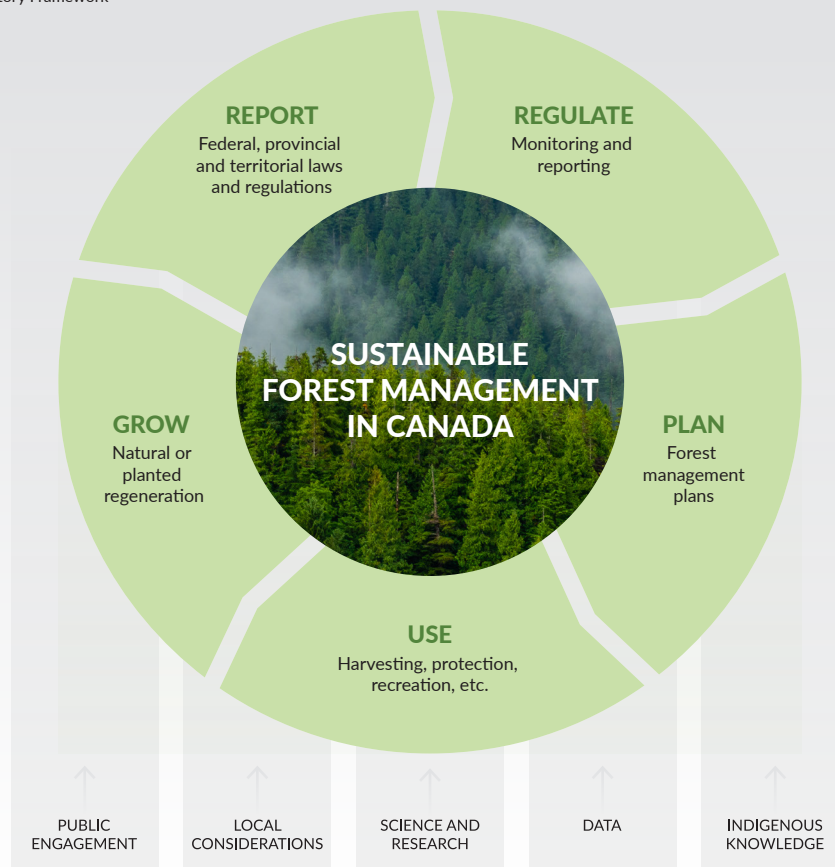
Wood pellet producers play an important complementary role to companies holding harvesting rights. Those companies extract higher value sawlogs and, where markets exist, pulp logs. The remaining harvested material, once referred to as waste, can be used to produce wood pellets. The forest company manages the forest, ensuring that soil and water are protected and harvested trees are replaced by ecologically appropriate seedlings. This work is done under the authority of forest professionals.

The governments that issue the harvesting rights are responsible for:

- reviewing and approving companies' forest management plans;
- monitoring forest companies to ensure they comply with approved plans;
- tracking timber that is removed from the tenured lands;
- ensuring that forest companies meet the regeneration standards after harvest; and
- enforcing company compliance with regulations.

Companies that fail to comply with forest management plans face penalties, ranging from warnings and fines to the suspension of harvesting rights or seizure of timber. Such instances of non-compliance are rare in Canada.

Canada's Forest Regulatory Framework



Source: <https://cfs.nrcan.gc.ca/pubwarehouse/pdfs/39830.pdf>

# PRESERVING FORESTS FOR THE FUTURE

Canada has 348 million hectares of forests, making it the third-most forested country in the world after Russia and Brazil. Even after accounting for the establishment of cities and conversion to farm land, Canada still has 90 percent of its original forest cover. At an annual harvest rate of 0.2 percent<sup>1</sup>, Canada will always have forests for the future. In fact, timber losses resulting from insects, disease, and fire exceed the annual amount harvested.

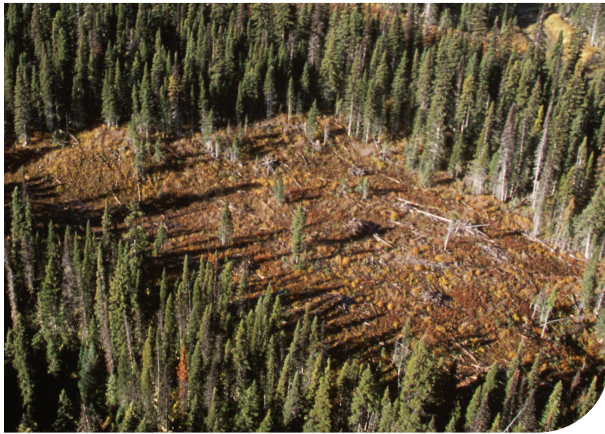


Photo: naturally:wood.com

## BRITISH COLUMBIA: LONG-TERM SUSTAINABLE HARVEST LEVELS

British Columbia's timber supply review program began in 1992. Using an updated review of the province's management units, the province's independent Chief Forester determines the allowable annual cut, which is the maximum amount of timber that is reasonable to harvest over the following 10 years and still support a long-term sustainable harvest level (usually forecast over 250 years).

By law across Canada, forests must be replanted or regenerated after harvesting. The seedlings planted are of the correct mix of tree species that were harvested and come from the same specific region so that the forest keeps its natural characteristics. In addition to tree planting, forest professionals also rely on natural regeneration from adjacent forest areas.

To ensure harvest levels are sustainable over the long-term, provincial governments regularly carry out comprehensive timber supply reviews where harvest levels are determined based on:

- the condition of the existing forest;
- the growth rate of the existing forest;
- how the forest is managed for timber and other resource values; and
- choices around the rate of harvest.



Annual area of timber harvested in British Columbia

<sup>1</sup> Natural Resources Canada, State of the Forests Report, 2019

## SAFEGUARDING BIODIVERSITY AND OTHER IMPORTANT VALUES

Canada is a founding member of the Montréal Process, created in 1994 and signed by 12 nations, that collectively account for 90 percent of the world's temperate forests. The agreement is based on seven criteria:

1. Conserving bio-diversity
2. Maintaining the productive capacity of forest ecosystems
3. Maintaining forest ecosystem health and vitality
4. Conserving and maintaining soil and water resources
5. Maintaining forest contribution to global carbon cycles
6. Maintaining and enhancing socio-economic benefits for society
7. Ensuring an appropriate framework of supporting laws and regulations

In addition, the majority of Canada's harvesting activities are certified to one of three third-party certification systems: CSA, FSC or SFI, which have a comprehensive set of criteria and indicators that promote a diversity of types of habitat and ages, and the conservation of forest plants and animals, including aquatic, threatened and endangered species, forests with exceptional conservation value, old-growth forests, and ecologically important sites.

### STRIKING A BALANCE... NATURALLY



Spruce seedlings, Canfor. Photo: Dave Patterson

Canada's forests account for nine percent of the world's forest cover. About 24 million hectares of forest area is protected in Canada, almost seven percent of the country's total forest area. Many millions of additional hectares lie in remote, inaccessible areas and are therefore largely unaffected by human activity. In addition, millions more hectares are managed for special values that take precedence over forestry or other development.

While Canadian wood pellet manufacturers are not typically involved in forest management and harvesting activities, responsible sourcing of fibre is core to their businesses. A strong regulatory framework backed by independent certification and compliance and enforcement means the wood pellet industry in Canada and its customers worldwide can feel confident about the source of their product and their contribution to sustainable forest management.