

CANADA'S WOOD PELLETS

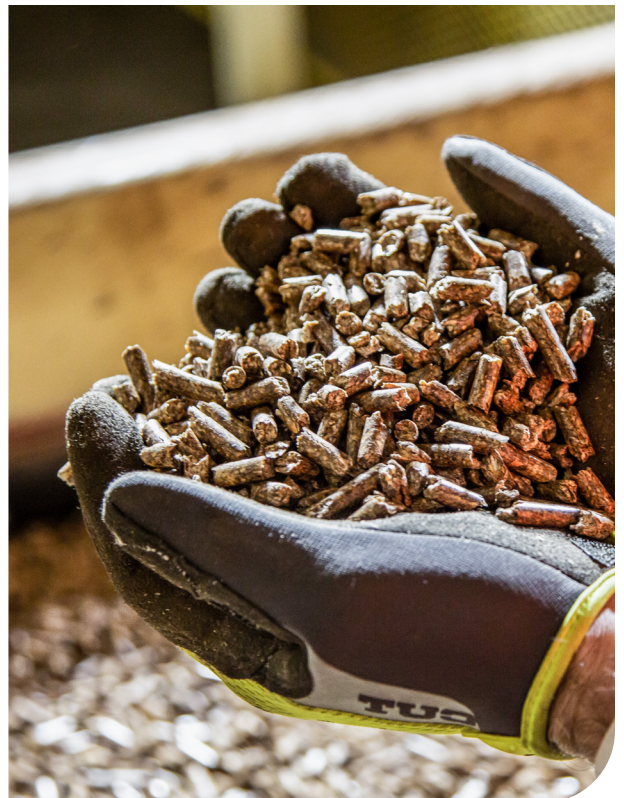
# SUSTAINABLE FOREST MANAGEMENT

Strong Regulations and Independent Certification

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

Canada has a proven record of responsible 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-four percent of Canada's forests are publicly owned—90 percent by the provinces and territories and four percent by the federal government. The remaining six percent is privately owned. In some parts of the country, an increasing amount of forest is coming under Indigenous jurisdiction.<sup>1</sup>

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 forest companies meet the regeneration standards after harvest
- 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.

<sup>1</sup> <https://natural-resources.canada.ca/forest-forestry/sustainable-forest-management/forest-land-ownership>

Sustainable Forest Management in Canada – Canada's Regulatory Framework.



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



# PRESERVING FORESTS FOR THE FUTURE

Canada has 367 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>2</sup>, Canada will always have forests for the future. In fact, timber losses resulting from insects, disease, and fire exceed the annual amount harvested.

<sup>2</sup> Natural Resources Canada, State of Canada's Forests Annual Report 2023.

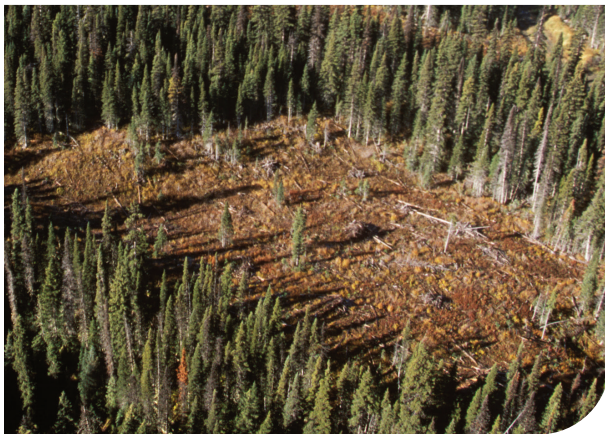


Photo: naturally:wood.com

## 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 ecologically appropriate, non-GMO trees so that long-term productivity, health, and vitality of the forest is enhanced or maintained. 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
- Choices around the rate of harvest

### ANNUAL AREA OF TIMBER HARVESTED

100%

TOTAL AREA OF BRITISH COLUMBIA  
(95 MILLION HECTARES)

62%

FORESTED LAND (60 MILLION HECTARES)

95%

FORESTED LAND PUBLICLY OWNED  
(57 MILLION HECTARES)

42%

FORESTED LAND AVAILABLE FOR HARVEST  
(25 MILLION HECTARES)

<1%

FORESTED LAND HARVESTED ANNUALLY  
(~190 THOUSAND HECTARES)

Source: [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/stewardship/forest-analysis-inventory/tsr-annual-allowable-cut/tsr\\_backgrounder\\_apr\\_2021.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/stewardship/forest-analysis-inventory/tsr-annual-allowable-cut/tsr_backgrounder_apr_2021.pdf)

# 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 independent third-party certification systems: Forest Stewardship Council, Programme for the Endorsement of Forest Certification - PEFC Canada, and Sustainable Forestry Initiative. These systems have comprehensive criteria and indicators that promote:

- A diversity of types of habitat and ages
- 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. Approximately ten percent of forested area is protected in Canada. 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.