

Forestry and the Circular Economy with François Dufresne

Janet Sumner

Welcome to the Clear Cut.

[Music]

Janet Sumner

Hi, I'm Janet Sumner, Executive Director at Wildlands League.

Kaya Adleman

And I'm Kaya Adleman, Carbon Manager at Wildlands League.

Janet Sumner

Wildlands League is a Canadian conservation organization, working on protecting the natural world.

Kaya Adleman

<u>The Clear Cut</u> is bringing to you the much-needed conversation on Canadian Forest Management, and how we can better protect one of Canada's most important ecosystems as our forests are reaching a tipping point.

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Janet Sumner

So far on the podcast we've explored a lot of the issues with how forest management in Canada works.

Kaya Adleman

We did. And that was quite a lot. We talked about Sustainable Forest Management, unsuccessful attempts at reform, the underlying rationale behind fire suppression and flaws in the governments forest carbon accounting system.

Janet Sumner

Well, I don't know about you, but I think it's in order that we start better fleshing out some of the pathways to a different future. A better one for forestry.

Kaya Adleman

Yeah, I would agree that it's in order. This episode luckily for us explores how the forest sector can evolve with the changes our climate and ecosystems are going through right now. Because at <u>The Clear Cut</u>, we're not just about depressing you for 30 minutes to an hour every episode, we're here to start some conversations about solutions to the problems that we talk about. And the Canadian forest sector is a huge industry in Canada. I mean in 2021, in contributed <u>34.8</u> <u>billion dollars</u> to Canadian GDP, making up 1.5% of the total.

Janet Sumner

Right and so this is about a better future for forestry but also a better future for our forests. And we got to do that with our colleague, president of the Forest Stewardship Council in Canada, François Dufresne. And the reason I call him our colleague is because I've found working with François to be very collaborative and thinking through the problems together. So I'm very excited about our conversation with François.

Kaya Adleman



Me too. And he's a fellow Quebecer, like me, so that's always nice to have on someone from our side of the country. But first, we're going to hear from our Senior Forest Conservation Manager, Dave Pearce. Who, with Wildlands League, sits on the FSC Canada Standard Development group. You may actually remember Dave from one of our previous episodes, "Forestry: the Ontario Overview". And on that episode he talked about forest management in the Ontario boreal, and how the rationale behind forestry decisions were out of step with preserving the ecological balance of the forest. Mainly by logging to suppress wildfires.

Janet Sumner

We talked to Dave about what the role of FSC is, and our role as Wildlands League, how we've played that. So here's Dave to talk more about FSC.

Dave Pearce

Yeah. So FSC is the Forest Stewardship Council. It's a certification system that the idea is to certify good forestry and by good forestry it's forestry that meets ecological values, industrial values and social values and in Canada that's further split out to include indigenous values and those are represented through in Canada 4 Chambers. So you have an environmental chamber, you have an economic chamber, a social chamber and an indigenous chamber. And the idea is that companies undergo a certification process and they meet a standard of forest practices that meets all those 4 chambers interests. So imagine a Venn diagram the overlapping interests where all those interests overlap and you can meet those, that's where you can get certified. And that certification stamp carries a lot of weight in the marketplace. It opens up access for companies where they might not be able to sell a product, but people would be more willing to buy a product that's certified as good forestry and provides a way for us to work with forest companies to say 'if you. Want to get certified You know you're going to have to meet all these requirements'. And it started back in the 90s again through I think the pressure of environmental groups protesting and blockading and the idea was to come up with a way that the general public could be generally assured that, you know, if you bought this piece of paper or this 2x4 or this package of toilet paper it came from a forest that was well managed and was not going to hurt the environment and it was actually going to help workers and maintain workers rights and respect indigenous peoples rights. And so FSC came together and Wildlands League was one of the first organizations to be involved with that. And we've been involved



with working with companies to make sure that they're meeting the requirements and actually helping them to meet their requirements by showing them where they need to improve their practices over the years. So we've worked on individual certifications and we've been on the development group that actually creates the standards for Canada. And we've been involved in international, some of the international processes as well. So I currently sit on the Standard Development Group, which is working to develop standards for Canada and the large commercial forests, but also for small woodlots. And that's ongoing work because there's ongoing tweaks and modifications that need to happen.

Janet Sumner

Dave, can you give an example of something you would consider to be a success?

Dave Pearce

One of the successes of the latest standard that came out that we helped work on is an indicator. So a part of the requirements and subset of requirements that actually requires a company to try to conserve Caribou habitat and protect Caribou habitat. And that's relatively new and we're still trying to see how that can be implemented and it is challenging. It's very challenging to meet this standard, but it should be challenging because otherwise companies I think will take an easy way out and try to, you know, slip back to sort of a business as usual approach.

Kaya Adleman

What are some of the defining characteristics of the standard in its guidelines or its requirements?

Dave Pearce

The standard has 10 principles and each principle has criteria and indicators, so the principle is the high level and then there's within that sort of sub principles and then indicators that



accompany meeting those. So it's got 10. We tend to focus on three of those principles. One is around environmental values. So looking after species at risk like Caribou looking after setting aside parts of the forest that are basically voluntary protected areas that are supposed to be moved into legal protected areas over time. The idea is that the company identifies areas voluntarily that they'll set aside and then approach the the government, in this case, the Ontario government, to say, hey, these should become conservation reserves or or commercial parks, whatever.

Kaya Adleman

So what Dave is telling us, is that companies are voluntarily setting aside areas and protecting them? Janet do you know if governments in Canada are recognising that?

Janet Sumner

Well I can tell you that in Ontario we're not doing that. Companies are setting aside areas under their FSC certification. I've worked with a couple of them. And unfourtunately Kaya, the provincial government has yet to recognise these areas as protected. It's definitely a missed opportunity where you've got a company doing this voluntarily and the provincial regulator refuses to recognise them as fully protected. But I do know in other provinces, I actually worked on a plan in Alberta, where a company decided to set aside areas for protection, and those were ultimately recognised by the province of Alberta as fully protected and contributed guite a bit to a larger area overall (so you could get that continuity of protection) in the Boreal. So it is possible for provincial governments to do it. And I'm not sure about the other provinces that are doing this but those are the two examples I know of. But Dave goes on to define some distinctions of the FSC certification standard.

Dave Pearce

And to maintain an appropriate mix of values on the forest, like we've been talking about trying to reestablish a more natural forest. Right? Reduce your footprint, reduce the amount of roads you know, act more like a fire, and then with Caribou try to redress some of the issues that we've been talking about, basically the standard says that you can disturb Caribou habitat up to



a point (35% on average), but you can't disturb it beyond that. And then we weigh in on actually where disturbance should happen as opposed to where the companies are planning to harvest and say, can you harvest over here and not over here and stay out of Caribou habitat, out of the better Caribou habitat.

Janet Sumner

And Caribou are very important to decision-making for forestry. Because they're an umbrella species, and they act as an indicator of the overall forest health. And when we make good decisions on Carbiou we can make very good decisions for a whole bunch of other species because, as I said, they indicate overall ecosystem health. Now it's also not good just to narrow everything down to just one species because species have different kinds of needs. But managing for Caribou does help us overall ecosystem health.

Dave Pearce

And then there's principle 3, which is Indigenous Rights, and the requirement actually is for indigenous people to to be engaged in a way that meets the requirements of free, prior and informed consent, which is The Universal United Nations Declaration on the Rights of Indigenous People, says basically any activity that happens on indigenous territory should meet this requirement that they're not being coerced into anything, they need to be approached upfront before development activity occurs, and they need to be fully informed before they give their consent to any activity on the landscape. And so we're supportive of that. You know, the Indigenous Chamber leads those discussions in FSC Canada. And we're supportive of that that requirement. So basically, yeah, Environmental Protection and Indigenous rights are what we kind of focus on, but mostly on the Environmental Protection side.

Kaya Adleman

So along with Wildlands League, within FSC Dave works with the environment chamber to make sure FSC certified forests are preserving the ecological values prescribed in the certification standard. And of course we also really support the work of the indigenous chamber to ensure



that the certification and its holders uphold those free, prior and informed consent requirements that Dave was talking about earlier

[Music]

Janet Sumner

But lets switch gears a little but now. And we're going to hear from Francois Dufresne, president of FSC Canada about how a transition of the forestry industry is happening, and the role FSC might play within that.

Janet Sumner

Francois, welcome. We're just going to start with something very basic and we want to hear a little bit about your background and your experience just for our audience so they can know, who the heck François Dufresne is.

François Dufresne

Well, my name is Francois Dufresne. I'm actually a forest engineer. I've been living in the province of Quebec for most of my life. I did my studies at Laval University. Also, I've got a master's in administration from York University in Toronto. And most of my career I've been with the forest sector, the forest industry, but also in the investment sector with an investment firm, until I joined the Forest Stewardship Council in 2012. To be in charge of the National Office here in Canada. It's been a great experience ever since, meeting fantastic people here locally. But also internationally, we're in 80 countries. The organization is quite a fantastic network to be acquainted with in terms of diversity and point of views.

Janet Sumner

I mean, it is one of the most rigorous standards out there and I find it deeply satisfying.. just deeply satisfying to be working through all four chambers as you illuminated: social, economic, indigenous and environmental. And in terms of providing the guidance and creating the documents that are going to guide the certification, something makes it out of that system...It's quite incredible.



François Dufresne

Well, thanks very much. And it takes time. I mean these standards are made from the criteria and principles from FSC International, and from there we do have to define that into indicators here in Canada that are adapted. And their new standard took actually seven years to develop. Creating the consensus with indigenous people, environmental people and the industry. And we are actually ahead of the curve. We do have right now have indicators really meeting the requirements of responsible forestry in Canada. Especially around species at risk, conservation areas, indigenous rights. We're the only ones pushing forward the protection of woodland Caribou, but also implementing the UN Declaration of the Rights of Indigenous People and Free, Prior and Informed Consent, just to name these two. But there are many, many others that are actually encompassed in our standard.

Kaya Adleman

So if someone receives like their Canadian tax return in the mail, and you see that FSC logo on the envelope, that means that it's a piece of paper that's been made from those really rigorous gold standard forest management practices.

François Dufresne

Definitely, definitely Kaya. And those envelopes, along with envelopes from many other sectors in the country, whether its government or banks or different municipalities, insurance companies. They're coming from FSC certified forests. We have <u>45 million hectares of FSC</u> <u>certified forest and 150 million around the world in 80 countries</u>.¹ But the envelope is only one of those products.

Kaya Adleman

Just to put this into perspective, the FSC certification extends from here to northern forests in Scandanavia, southeast Asia, to the tropical rain forests in Latin America. That's a pretty expansive and diverse presence the organization has. And this might be just a nerd thing that

¹ This is amended to be 46M ha in Canada and 160M ha globally



I'm interested in, but on their website they have a link to an <u>arcGIS profile</u>, which is a mapping computer program where you can explore the different FSC certified forests around the world. If you like spending as much time browsing google earth as I do, it's quite impressive, it a pretty fun way to spend an afternoon.

Janet Sumner

So what made somebody who worked in the forest industry want to join FSC? What was the attraction?

François Dufresne

Well, you know, at this stage of my career, I have to say that I've really reconnected to what brought me to forestry in the first place at university. To look into the forest from a holistic perspective. To meet, I think, the best practices. Bringing to the marketplace forest products from the best forest management, environmental practices while working with indigenous people and environmental groups. And I think it does really go back to the roots of what I really wanted to accomplish in my career when I joined this sector as a university student.

[Music]

Janet

We talked to François about some of the incredible challenges facing the forest sector today.

François Dufresne

Well, a large portion of our forest is still viewed as a commodity. We do produce a lot of lumber, we do produce a lot of low-grade products and paper and pulp, that are half transformed and exported, or not even transformed at all. They are raw logs, especially on the West Coast, exported to other markets.

The challenges are not new. They've been evolving over the last generation, over the last 30-40 years. Canada has about $\frac{1/5 \text{ of the forest area in the world}}{1/5 \text{ of the intact}}$ and we also have $\frac{25\% \text{ of the intact}}{1/5 \text{ of the intact}}$



<u>forest</u> landscape.² We do have a duty to be the best stewards of his fantastic natural resource. But overtime this resource is becoming more expensive to manage. We have a slow growth forest in the Canadian Boreal. We do have a lot of competition in the marketplace to bring forward commodity products that are competitive.

Most of our forest products is not that efficient in terms of implementing circular economy premises that will actually be based on the putting the value of intactness of our forest.

Janet Sumner

François is saying that we are running out of our forest resource, because they grow very slowly here in Canada, and especially not at the rate we are currently harvesting it. As a result it's becoming more expensive to manage- and the products we are producing from it, are not helping alleviate the pressures.

Kaya Adleman

This was because, again as François was saying, we're mainly just selling the raw materials of our forest- sawlogs for example, as opposed to developing a secondary manufacturing sector, is that right?

Janet Sumner

Right. And this of course, is unsustainable ultimately. Which is what François elaborated on, if we continue on, with this business as usual course of action

François Dufresne

Well, there are several risks. First one is we don't allow enough time and effort to increase the value of our forest. Deforestation is not necessarily a problem, but a forest degradation is certainly an issue. The fragmentation of our forests because we do push for high volume and high area impact across the boreal, degradation will become an issue. And it already is an issue through fragmentation, and the massive network of forest roads which has a very, very clear

² François misspeaks here, Canada has 10% of the world's forests



consequences today with our forests becoming drier, more subject to fires. We've seen that this year- it's not the only cause though- I want to make sure that we don't pinpoint the cause of forest fires on degradation, there's all kinds of human activities outside the forest sector that's actually impacting our climate that has in a direct impact on forest fires. But nevertheless, by increasing a better responsible forest management, we can influence the climate cycles with forestry and reverse degradation.

[Music]

Kaya Adleman

So that makes sense. If we keep the same business as usual approach, there's going to be consequences for us and our forests. We're degrading the quality of the forest while at the same time not increasing its value. But how can the forest industry get there? And is there an opportunity for it to do so?

François Dufresne

But the opportunity for the Canadian sector is to focus on value added products and niche markets. To increase and create actually the best value for Canadians with well paid jobs

And we're losing an opportunity to actually to have 2nd and 3rd and 4th transformation in this country in niche markets, to maximize the value from a lower volume base and focus on value instead of volume commodity. That's one. And secondly, I think we don't actually put a value on the intactness of our forest as such.

Never lose sight of the holistic approach of forests, that there's a limit to what forests can bring to humans, and it's not only in Canada, but across the world. And the demand of forest products will only increase, And the forest's capacity to meet those demands will be increasingly limited. And that's true for tissues, true for lumber, it's true for any forest products. Therefore encouraging a circular economy, focusing on the on the value added products (not on commodity) and recycling is key. And we cannot go forward without maximizing the circular economy and the recycling in all its aspects, including lumber, tissue and paper and packaging.



Kaya Adleman

This term- circular economy is interesting. I mean I've heard it before, and I've heard it thrown around, but for the purposes of due-diligence for this episode I thought I'd come at you with a little bit of an official definition. So I looked it up and the <u>European Parliament</u> website actually has a definition for it, which is "a model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials and products as long as possible to extend the life cycle of products. Keeping products in use for longer increases their value.

Janet Sumner

So what would a more circular economy look like? Less pulp shipped and more recycling and more recycled products available. There are several brands of toilet paper now that use recycled fibre instead of virgin material. It would mean when companies are considering their fibre supply that they might look at alternate fibre sources, perhaps agricultural waste for example, to make books or magazines or clothing. And for longer term niche markets, we would maximize the value from a lower volume base and focus on value instead of volume as the commodity. Instead of trying to put as many logs through a mill, you would be saying 'how many good long-term products can I make from a lower volume coming from the forests?' And of course as Francois says we need to put a value on the intactness of our forest

Kaya Adleman

You talk a little bit about these value added products like niche products that can make Canadian forestry more sustainable and competitive in the marketplace. What are some examples of those value added products or those niche markets?

François Dufresne

From the solid wood side, we have species, wood species that are that are very well suited for mass timber, cross laminated timber that's the example here in Quebec with <u>Nordic and</u> <u>Chantiers Chibougamau</u>, both are FSC certified, having a great niche market in the in the built environment, domestically, but also abroad. And their products are in demand because of their



quality and because of their mechanical perspective. But also the fact that they're coming from a responsible and well managed forest. And that kind of example, is actually for us a great success. In the pulp and paper sector you have mills, like the Temiscaming mill in Quebec, as well producing high value products for nanotechnology, pharmaceutical products and many others. But using species that were not necessarily desirable in the past. There's either secondary species or deciduous species such as Poplar and Birch. But taking what the forest can provide sustainably can also encourage more natural forests down the road with more deciduous trees and a better forest bed and floor that will bring and keep the moisture. And also eventually have a better way to protect those future mature forests from forest fires, for instance, or diseases or blow downs and so on and so forth. So instead of pushing forests management into commodities with one or two or three species that are coniferous, like spruce and fir, we can actually look at what the forest can provide or sustain naturally and the more responsibly for future generations, by actually adapting our economic opportunities with those values.

Janet Sumner

What I really appreciate about François and the conversations I've been privileged enough to have with him, is that he's authentic. He's a trained professional in the forestry industry who has worked in the industry for many years. But he's honest about the state of our forests. You may notice that he never talks about the forest being sustainably managed. Instead, he talks about how FSC results in better management of the forest. I think this is a truer statement.

He speaks about how we cut our forests down in some cases to access only 2 or 3 coniferous species such as fir and spruce instead of looking at what the forest can supply naturally and responsibly for future generations. I like how he says we need to adapt our economic opportunities to fit with what the forest can supply sustainably. That's almost like a radical thought from what you would think of as a traditional forestry person. That we'd have to adapt our economic opportunities to fit with what the forest can supply sustainably. That's why I like working with François.

Kaya Adleman

Yeah, and it was really interesting to hear from him. I really liked what he was saying, that not only can we increase the value of our forests by prolonging the lifespan of wood products. Which means essentially that we're building long-term use wood products to really last. We're



not building in obsolescence into our fibre supply. We're not making products that will even be thrown out every 2 or 3 years. And not only that but we can also be exploring new markets for forestry products, markets like nanotechnology and the pharmaceutical industry. And furthermore we can be producing products from second-growth tree species, from forests that have already been previously logged. Not going into intact, primary forest to produce wood products.

Janet Sumner

And to add to what François was saying about cross-laminated timber, it's an engineered wood panel that's made from gluing together at least 3 layers of solid sawn lumber. One of the challenges I see with any products coming from the forests through is that well, we could have these as long-term sustainable products if it's built on a foundation where we have the forest carbon accounting right. And you can learn more about that in our previous episode, "Flawed Forest Carbon Accounting". And we haven't yet managed to harvest sustainably, then even those products have to be considered in what the grander scheme of what their carbon footprint is and what their sustainability footprint is.

Overall what François is saying with these products is and to accommodate for the changes that are coming to the forest sector, we need to be reorienting our thinking towards a holistic approach to the forest. Taking from it only what it can provide to us sustainably and really holding on to and prolonging the use of what we do take.

[Music]

Janet Sumner

You and I had a conversation about biomass a little bit and. Just like to sort of push on that, I mean obviously for Wildlands League, like we're not interested in biomass, it's going to be shipped to fuel an incinerator in the UK. But where does biomass play into this and where can it?

François Dufresne



Well, biomass is a byproduct of forest activities and it should remain as such. And traditionally, especially in Canada, I don't have the full picture across other jurisdictions other than the Canadian one, but across Canada, <u>most of the biomass is used by forest operations for their</u> <u>energy</u> needs and the requirements to produce pulp or timber or lumber and so on. And it actually makes a lot of sense to recuperate biomass while you're harvesting most of the fiber for other products. But to manage forests for biomass only, doesn't make a lot of sense actually. Instead of creating value it most likely destroys values where you can produce on an area of forest.

Janet Sumner

So for François, producing biomass, or wood pellets, to be burned for energy decreases the value of the forest and it not something the forest sector, in his estimation, should be investing in. However, where biomass may make sense and actually create value is by using wood pellet waste to produce energy for mills, that could allow them to displace the use of fossil fuels. Integrating waste that way is a much better approach to help maximise the value of the forest as opposed to producing biomass as the purpose of the logging.

It should be acknowledged that this is all within a context where scientists are stressing that we need to reduce our CO2 emissions and they need to fall immediately. What I've found really disturbing this week is, I found something on the Natural Resources Canada website, where they even acknowledge this. Here's a <u>quote</u>:

"So using forest biomass provides energy and, at the same time, the forest continues to grow and recapture most of the carbon dioxide emitted by this energy production; however, this recapture takes at least as long as it takes the forest to regrow to the size it was when cut. Because forest bioenergy has a lower energy content than fossil fuels, in the short run it can actually generate higher CO2 emissions than fossil fuels."



That's a disturbing reality. And it really for me puts into context what it means when we see provinces doubling logging or increasing logging so that we can get more biomass to ship internationally. And we've got NRCan saying that in the short run, it can actually generate higher CO2 emissions than fossil fuels. That's deeply disturbing.

[Music]

Kaya Adleman

I'm wondering also how would FSC through its certification system, where does that fit into this transition of the fiber economy? Through certification, how can we, I guess, approach a more circular economy, one that includes the value of nature and looking at the forest as a value to the fiber ecosystem, as opposed to just timber.

François Dufresne

Well, the role that FSC can play is to be a partner to forest companies that want to be responsible. And [provide] access to the most demanding markets that will also pay the best value. Those very demanding markets either in Europe or North America are ready to pay for a product that will protect their reputation, but also bring in a marketplace a good story. And those market is, today anyway and it might change in the future or more, they will be these niche markets. And it's not only for lumber, mass timber or architectures, these specified product. But it's also products that were considered in the past, more commodity products even in pulp. The Canadian mills are producing the northern bleached pulp, which is already a high quality pulp that's being used more and more as a reinforcement pulp, as a niche market to best produce better products and higher quality. And being from an FSC certified producer bring an extra value, an extra story that really makes it interesting for those certificate holders to invest in FSC and be a partner to access those demanding markets. Same thing for fashion or the garment business and that will the dissolving pulp which is a higher more expensive pulp. FSC can be a partner to access those very demanding markets and therefore have a better return on their investment.

We can increase the value of our Canadian forest, while maintaining its integrity and its pristine status for generations to come, focusing on those value chain products, niche products while investing as well in ecosystem services and carbon claims that could also bring value to local



communities and Canadians. <u>90% of the forest in Canada is public</u>, so therefore it makes it a great opportunity for all Canadians to also great value in the in the in those ecosystem services, carbon biodiversity claims.

And also we will have probably a better impact on the biodiversity, as such, of our forests, talking about woodland Caribou, and having much better relations with indigenous people in this country. Having a large landscape, indigenous land management to protect the holistic approach and cultural values of those indigenous communities.

Kaya Adleman

So according to François, FSC can act as a market mechanism to help the forest sector take on the challenges and opportunities we talked about. Through its certification, it can help companies gain access to higher demanding markets, make better returns on those investments, and with its rigorous standard really raise the bar for forestry companies when it comes to better managed forests. It can create better outcomes for forest ecosystems and help preserve indigenous cultural values.

Janet Sumner

I guess one of the issues that's out there is, you know, making toilet paper from standing trees and a lot of people have sort of been pushing on that. Can you give us your take on this or just because, I mean the fiber system is so integrated, so maybe you can just walk us through that.

François Dufresne

Yeah. Thanks for the question. It's actually a very important point to discuss. It's a bit like the biomass, if you produce only fiber to be burned, it doesn't a lot make a lot of sense, you're destroying value. And it only makes sense if it's a byproduct, and very low percentage of a byproduct of a of a much better fiber stream creating value. And I think tissue in terms of pulp in Canada currently is about the same conversation. It's a low percentage of the current fiber going into that segment. In Canada, the vast majority actually, most of the Boreal, is harvested for solid wood, for timber, for lumber, and then it's going all to sawmills and the residuals, chip residuals are going to the pulp sector. That's what makes the most economical value chain process. But it's not a lot of the pulp necessarily will go to tissue, a certain percentage, it's



about, I think, between 7, 10, 12% of the actual fiber and percentage going through pulp that will end up into tissue. But what it does by asking some key players for reputational risk to be FSC certified in the tissue market, it does influence the remaining of 90% of that timber and fiber value chain across the country. And impacting millions of hectares of lumber, but being produced into lumber or other products or their pulp, or their paper or packaging being also FSC certified. So it's a huge and fantastic leverage, benefit for FSC to actually having partners in the tissue market pushing for FSC certified forests across Canada.

[Music]

Janet Sumner

Now Francois, I'm going to ask a question I don't know the answer to, which is the question around does FSC do any certification in the recycling market.

François Dufresne

Oh yeah, definitely. And Janet, we have three logos. We have the mix, we have the 100%, but the third one is recycle. And it's a very, increasingly popular trademark that we do put in the market.

Janet Sumner

So you can actually get recycled fiber certified through FSC.

Francois Dufresne

Definitely post and pre consumer. Actually, we changed that to maximize the recycling aspect of our forest products that are recycled.

Janet Sumner

Because FSC is walking the talk on a circular economy.



Francois Dufresne

Oh definitely definitely. It's been there since the beginning of FSC. We do have a recycling logo. It's not new. It's been there for the last 25/30 years.

Kaya Adleman

I guess one of the arguments that you hear for keeping the status quo of how the current fiber economy works, is that a circular economy wouldn't be good for jobs. And in your vision of what a transition would look like, where do jobs fit into that?

Francois Dufresne

We have to create jobs with less fiber and it will happen with or without FSC. I think it's the only way to go forward with the Canadian sector. Traditionally we've been a powerhouse at being the fiber basket to the world, especially the United States, in solid wood, but also in all kinds of pulp and paper products. Which create a lot of wealth in this country and well paid jobs. We need to maintain those well paid jobs quite differently. And there's no other way than to invest in the high value products using less forests, but further transformation and keep our fiber here in doing so. But also create value in local communities with ecosystem services and carbon and diversify those economies with those revenues. Creating vibrant and viable economies in many locations that were depending on modern industrial base on mining or forestry. But we can create I think, also very diverse economies across the country. Based on those climate, carbon and ecosystem services revenues.

Kaya Adleman

I like that you said that because like the traditional economic wisdom, when you're investing in things holds that you're supposed to diversify, to protect against risk. And if you're thinking about climate change and the loss of the forest as a risk, then what better way to do that than to diversify the economy? That's great. One other question that I had. Was in this transition, you talked a lot about the supply side ,and how FSC can kind of foster the supply side of the economy towards that circular, valuing nature approach. Do you think there's also a



responsibility on the consumer on the demand side to increase their demand for better fiber products. And do you think that's happening now?

Francois Dufresne

Yes, and that's a great question, Kaya. Our consumer have a huge role to play, reducing their footprint not only for for this conversation, but also in general buying products that will actually protect our environment and reduce the impact of climate change and the use less or no fossil fuel and then and so on and so forth. But from going back to the Canadian forest sector our consumers are increasingly aware of the FSC value proposition and the responsible impact we have. We have a logo recognition for FSC brand that's the highest in the country. It's not high enough, but that's the highest. And in Europe actually the FSC recognition is at 38/40% and in Canada is about 10/12%. But it's coming I think nicely in terms of increasing. And also we not only are we increasing the consumer awareness around the country and in North America, but also we are perceived as the most credible system to responsibly manage the forests for Canadians and the and for the population at large

Kaya

So with our changing climate and ecosystems, the forest sector with will have to undergo a change, and whether or not we adapt to those changes is a choice we'll have to make. And as François was saying in our conversation with him, there are opportunities out there to do that, to preserve the forest and well paid jobs through emphasizing high-value, niche products in our fibre supply. And we as consumers can play a part in this as well, by raising our standard for how the products from our forest are made, and increasing our demand for those products.

[Music]

Janet

I want to ask you a question about climate projects, and the work that FSC is maybe doing in Canada but also internationally, on trying to figure out ways to do projects that are beneficial for the climate.



Francois Dufresne

Thanks for the question again Janet. And I'm proud to say that the Forest Stewardship Council is the only certification system putting forward a product offering on that very topic, on carbon and then the ecosystem services to our market certificate holders. We started that in 2017 having a procedure. We evolve on this, we have a new one. And then there's a further revision to include the indigenous rights component for indigenous led ecosystem services projects. So this this is unique to FSC, we partner with Vera. I know there's issues with that, but I think Vera with FSC can be very credible to market either credits but also claims. We believe in those ecosystem services claims to meet very high expectation in the marketplace to protect our forest, but also put the right value proposition on the intactness of our forest for future generations. Now in Canada, we do have now finally, because most of our projects were in the tropics, in Europe, in Asia, we have, we have about 16 projects of ecosystem services, but now we are starting projects in Canada. We're looking into British Columbia right now with the First Nations. But also in the Maritimes, with the recruitment of small holders in three provinces putting together a project that will be certified to to market the custom services and carbon claims.

Janet

As François was saying, there are opportunities within the FSC system to also make progress on climate change through nature based solutions. I would suggest that the highest value for nature based solutions is to avoid logging in the intact and primary forests that remain. While this may not be a recognised climate credit, this may be the best thing for the planet because not logging these intact forests means we keep these immense reservoirs of carbon standing. And just as a side note, it's <u>double the amount of carbon</u> in one hectare of Boreal forest as it is to the Amazon. So keeping these intact forests is actually very important for the climate. And not only would we keep those reservoirs standing, we would also keep the capacity of that forest to keep absorbing carbon long into the future. So that's the best thing we can be doing, and as we've noted, FSC actually requires companies to set aside some areas that are intact and leave them as voluntary protected areas. This is probably the highest and best thing FSC can be doing.

[Music]



Francois Dufresne

Forest certification has been perceived as a market access system to put on the market responsibly, sourced forest products and it's been working very well with some hiccups. FSC through the years in Canada has been ahead of the curve. Thanks to the strong support, but also the input and the consensus building of all our membership, including the environmental chamber and indigenous people, to really have solutions that are science based, that are in the forefront of what needs to be accomplished. And therefore it has always been perceived as being a nice to have, to access the best clients in the marketplace. That has evolved over the last five years because of climate change, because of the fragmentation and degradation of our forests and because of the loss of biodiversity and the impact on indigenous people. We increasingly have noticed that, and we get this feedback, that the Canadian forest and new laws that have been considered among the best in the world are not doing the job anymore. They're not making and meeting the expected requirement going forward, especially this year with a huge impact of climate change we're experiencing. And I think the solutions that FSC is pushing forward are not just a nice to have anymore, but it must have just to have the minimum responsible solutions on the ground that have a chance to meet expectations of future generations, maintaining the integrity of our forests for indigenous people and for the rest of the population and maintaining well paid jobs.

Kaya

And would you say that that distinguishes FSC specifically from other fiber certifications out there on the market?

Francois Dufresne

Well we meet the most demanding international requirements. look at the EUDR, the <u>European</u> <u>Degradation and Deforestation</u> Regulation that was just put in place this summer. Only FSC can meet those requirements. We do have the only the only system that really protects. biodiversity in the Canadian Boreal forest, with the umbrella species with being Woodland Caribou. We are the only forestry certification system protecting indigenous rights and demanding free and prior informed consent, and therefore certified forests around the country. And lastly, we're the only one demanding for 10% of forests conservation in the conservation



area of our certified forest in the country. Far exceeding any objectives or that the government partners or any other certification or trying to do with other ecological conservation measures. We think we have 10 times the impact of anybody else can provide to this country with our certification system in terms of conservation area, in terms of indigenous right, in terms of biodiversity. But also lastly, we're the only one providing solutions for climate carbon and ecosystem services.

Janet

That's a great ad. That's fantastic. Thanks François.

Kaya

Do you have any recommendations for people on how to learn more about the circular fiber economy? Like books, articles, other FSC sponsored or affiliated publications, things like that?

Francois Dufresne

We do have a list of documents that are available on our website, but also the FSC international website that we can provide or they can be downloaded by any interested person in in the matter. But FSC can be complicated, and that's maybe one of the aspect we're trying to address right now, is to make it interesting, easy to understand and impactful for our readers and anybody interested in in what we're trying to accomplish for the forests around the world.

Janet

And what's the website address?

Francois Dufresne

It's www.fsccanada.org (https://ca.fsc.org/ca-en)

Janet



OK. Thanks, Francois. Thank you so much for your time. I really, really appreciate it.

Kaya

Yeah. Thank you. This was great.

Francois

You're welcome.

[Music]

Kaya

Okay, so I guess my highlights are... I really think the work that FSC is doing is really interesting. The idea that it's a certification system whose goal is to change or act as a partner in the marketplace to help companies improve the aspects to their sustainability. To act as an avenue for them to respond to the changing conditions of the climate, changing conditions of biodiversity, and also individuals like you and me who want to see more sustainable actions from companies. I think that's really interesting. And I think also, for me anyway, it seems like environmental issues and especially forestry issues in general have this very black-and-white approach. It's either you're pro industry or against industry and I really like how FSC falls in the middle of that and offers market based solutions to actually have a solution as opposed to it just being this black-and-white issue of 'for or against'. They're actually thinking of change. I do also think we need regulation and government actions to play a part and truly create more sustainable forest management. But I like that FSC is creating solutions to keep industry on board with the changes.

Janet

So now I'm going to go back and answer that question. So for me, I really thought that Dave did a good job of laying out just what FSC is and giving us the FSC 101 if you will, and help us understand that. I know it can seem confusing from the outside, but it actually is a very



dynamic system when you have four chambers, and they're all having to talk to each other and sign off on process and regulations, and the general architecture of FSC, so that by the time you get to a final guidance document that is going to going to give you guidance in the system all of those things have been checked off. Indigenous interests, the economic interests, the environmental and the social. And that's actually a really important piece. And it's the only certification system that has Free, Prior, and Informed Consent baked right into it. It's the only one that has a Caribou indicator that its working on. So Dave giving us that up front is really good context for what FSC is and what it could be. François for me, what I like talking to François about is that while seemingly on the outside of it, we look like we come from two different worlds. He works in the industry world, and I work in the environmental world. And we've kindof come to this point where we're now working together. And the reason we had this conversation with him is based on several conversations I've had with him in a.. you know less than opportune conditions, it might have been in a van on the way to a forestry unit, going bump bump bump along the roads. And he's been consistent in his worldview that there is a transition coming. And we can either be on board with it, or it's going to happen to us. And this transition is coming because of climate change and also because we're running out of the intact areas in Canada to harvest. Even though we have 1/5 of the world's intact forest, we're still running out of the areas that we could harvest. Because you can't get very many sawlogs out of a 3 inch tree for example when you get to the northern boreal. So what's important about what he's talking about is 'how do transition?' 'what does that look like?' How do we keep jobs? How do you have high, well-paying jobs and still be ale to have a forest industry. And what's really foundational to that is, this idea that you have to start making higher value products. And not just pulp, and not just sawlogs. But we have to start making things from that. Employing people to do that. And as we do that and get longer lived products, and quite frankly, right now we're going in the opposite direction, we're starting to think about biomass and we're starting to think about how do we turn our forests into trees that we can harvest for energy and then ship it around the world. That's not the direction that I see this going in, nor what François talked about. And so this is a really important piece. How do we change the product mix, how do we start getting fibre from our forests and not expanding into new intact areas, and instead harvesting on the existing footprint. So I found all of that fascinating and it's great to hear François articulate that, because I think it's a visionary kind of worldview. And that's where FSC is going, starting to think about nature-based solutions, products that have longer-lived lifespans in the marketplace, and creating value-added products as opposed to shipping raw logs and pulp outside of Canada. So it was a fascinating conversation for me with François.



[Music]

Janet

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Kaya

That link is also in our episode description. And stay tuned for new episodes, by following us on social media

Janet

That's @wildlandsleague on instagram, twitter, and facebook, or linkedin, of course.

Kaya

See you next time!!