

B.C. Forestry Innovation Investment | Market Outreach

Sustainable Forest Management in British Columbia

April 2009



Context

Forest Industry in British Columbia

- ◆ Forestry is a key driver of economy – 15% of provincial economic activity
- ◆ Forest companies directly employ 65,000 people in rural communities
- ◆ Almost 40% of provincial exports by value
 - Nearly 90% of output sold outside Canada in 2008 (including pulp and paper)
- ◆ Heavy reliance on U.S. and Japanese markets
- ◆ Europe an important market for B.C. Coastal products and pulp and paper

Context

Global Procurement Trends

- ◆ Trend towards national procurement policies and assessment criteria for timber
- ◆ Proof of legality and sustainability of forest products
- ◆ Assessment criteria reference certification standards.
- ◆ Public procurement policies are being positioned as national standards and act as a catalyst for private sector procurement
- ◆ FII working with industry and Canadian government to ensure fair access to markets

Context

Global Green Building Trends

- ◆ Globally, buildings are responsible for 20-40% of water consumption, energy use, greenhouse gas emission and solid waste generation
- ◆ Life cycle assessment studies show that wood products yield clear environmental advantages
- ◆ Green building rating systems (LEED, Green Globes, BREEAM,) are used by professionals to evaluate the environmental impact of structures
- ◆ Rating systems often rely on recycled content, certification as assurance that wood used in buildings is coming from a sustainable source

Context

Wood and Climate Change

- ◆ Using wood to mitigate climate change
 - New Zealand – carbon-neutral public service
 - France – minimum requirements for new public buildings
- ◆ Changes to national/provincial building regulations
 - United Kingdom – nine-storey timber frame
 - British Columbia – allowance for more than 4 stories
- ◆ Canadian policies to encourage wood use in public buildings
 - Quebec and British Columbia
 - Maximizing use of wood in 2010 Olympic venues



Choosing Wood, Pulp and Paper from Sustainable Sources

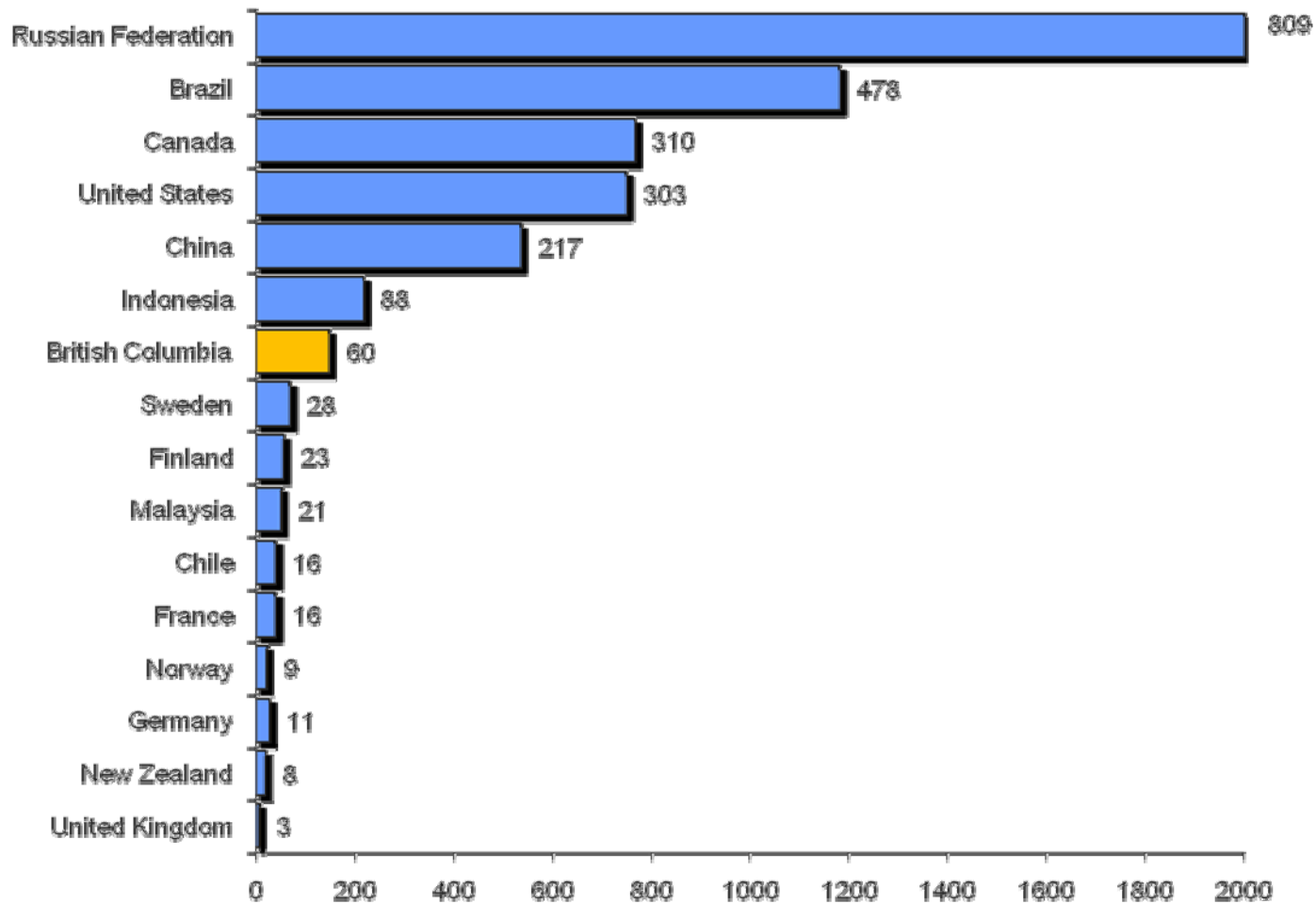
- ◆ Responsible sources are those that embrace these principles
 - Harvest legally
 - Regenerate promptly
 - Reduce waste, and support recovery and recycling
 - Reduce greenhouse gases and help fight climate change
 - Welcome independent scrutiny of how they manage forests

British Columbia's Forests and Sustainable Forest Management

An overview



Total Global Forest Area (Millions of hectares)

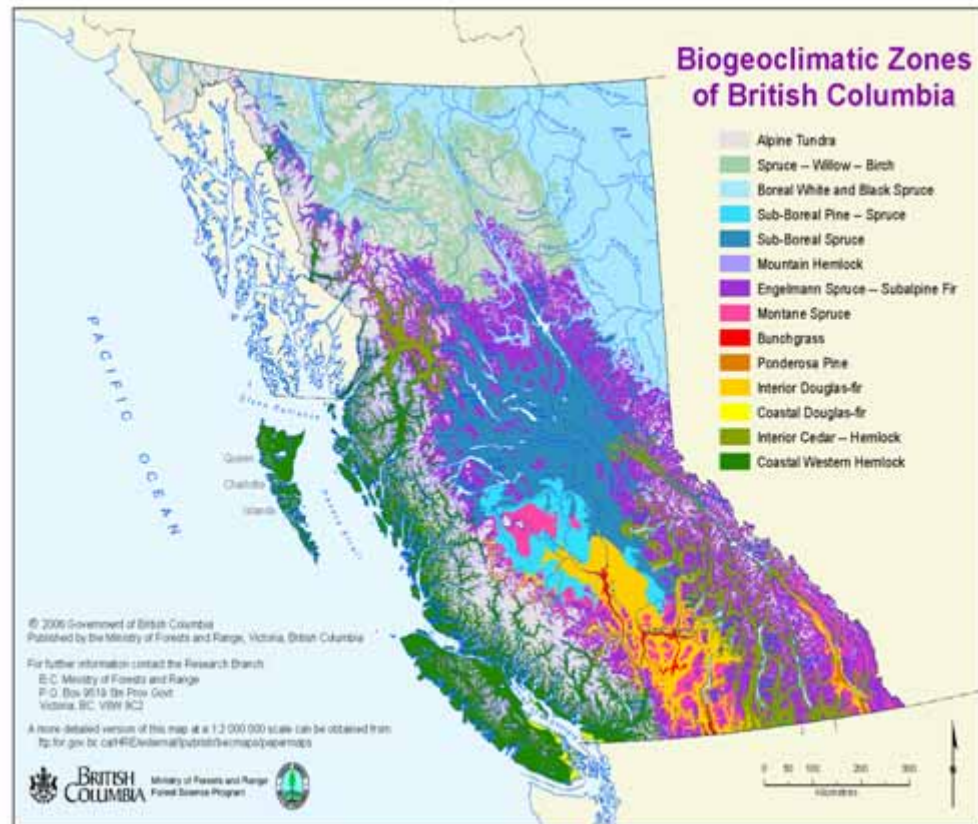


Large Forest Area

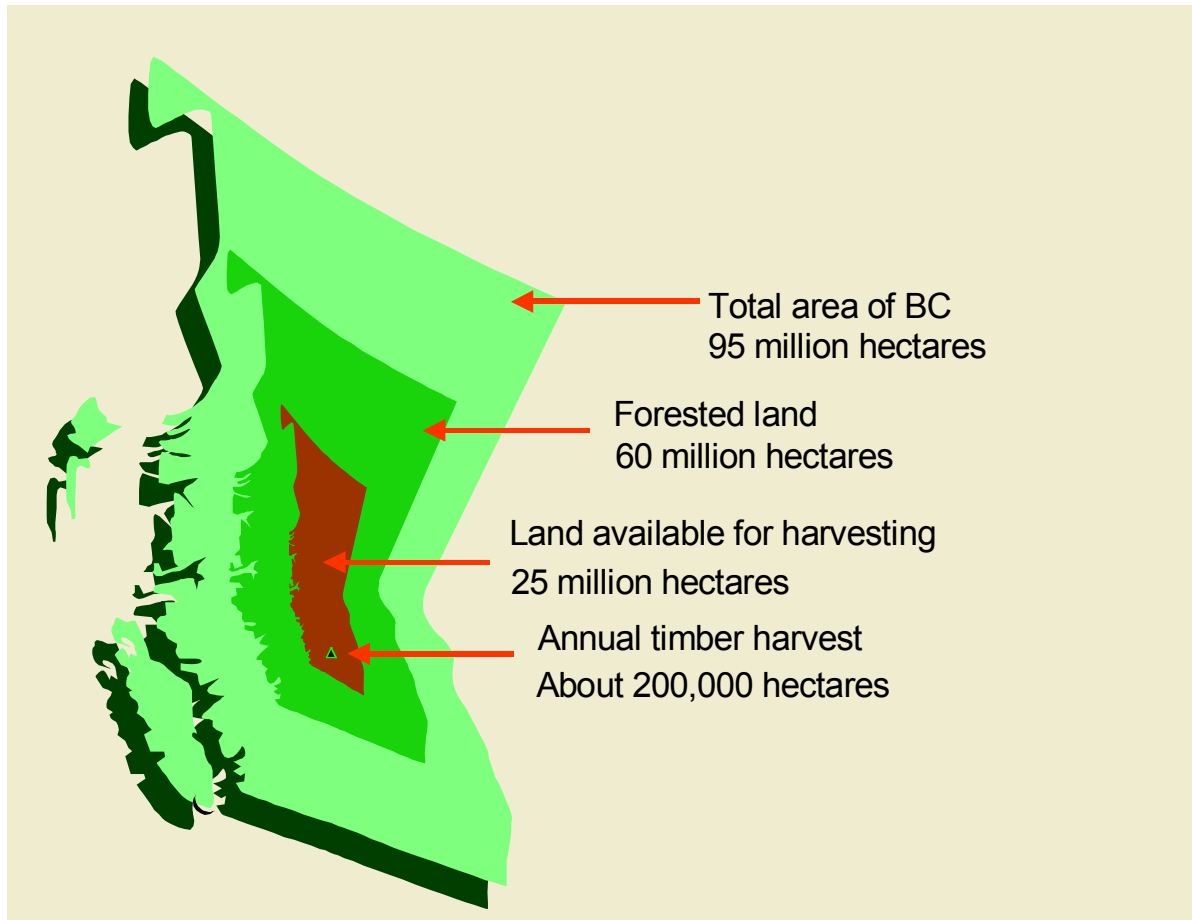


Ecologically Diverse Forests

- ◆ Canada's most biologically and ecologically diverse province
- ◆ More than 40 species of native trees



Sustainable Forests



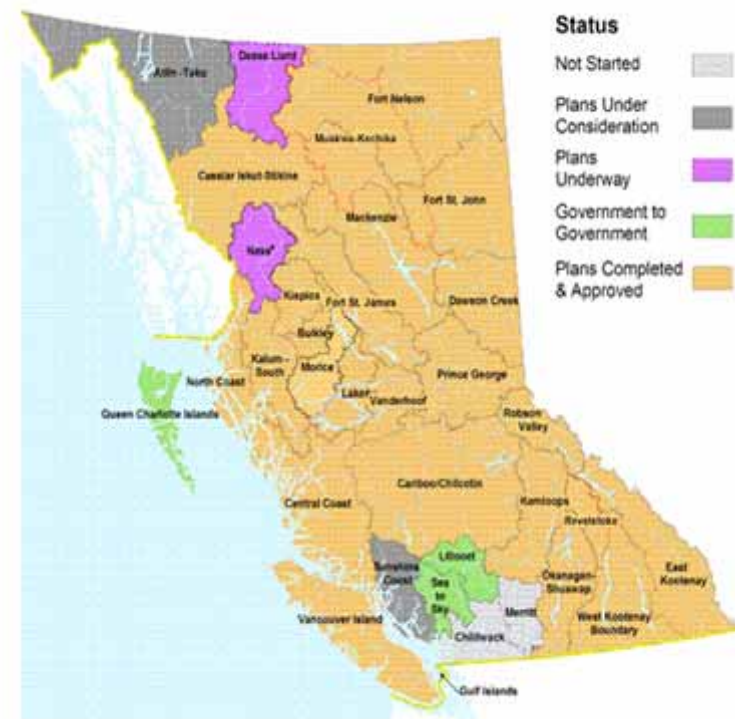
Role of Chief Forester

- ◆ Independent
- ◆ Statutory decision maker
- ◆ Determines allowable annual cut
- ◆ Leader for sustainable forest management sciences / tree improvement



Strategic Land Use Planning

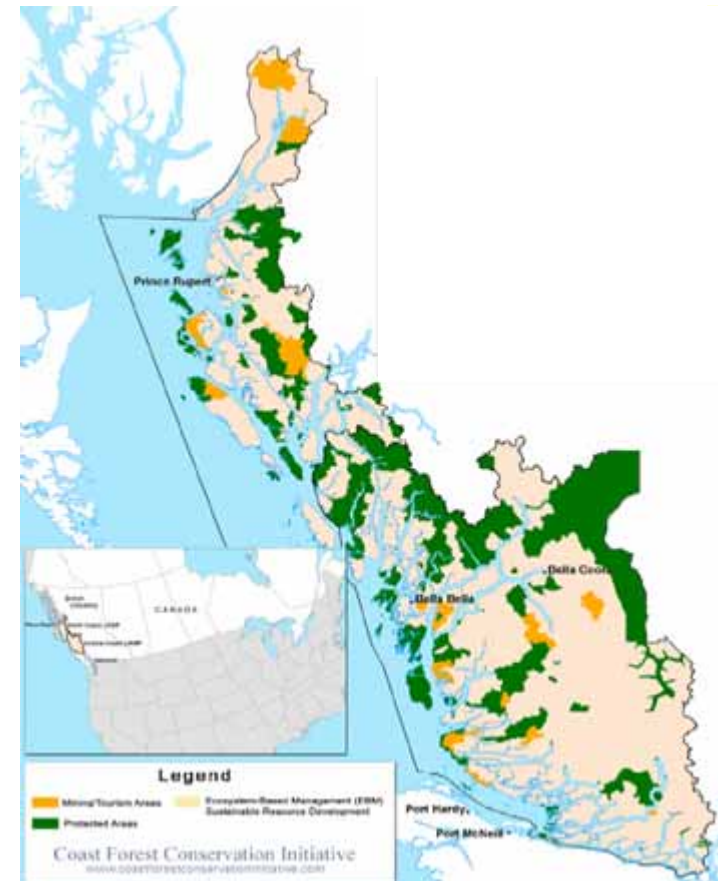
- ◆ Land use plans set priorities
 - Open and comprehensive
 - Respects all forest values
 - Determine land use today and into the future
- ◆ Multi-stakeholder process
- ◆ Government-to-government interface
- ◆ Planning complete in 85% of province



Regional Planning

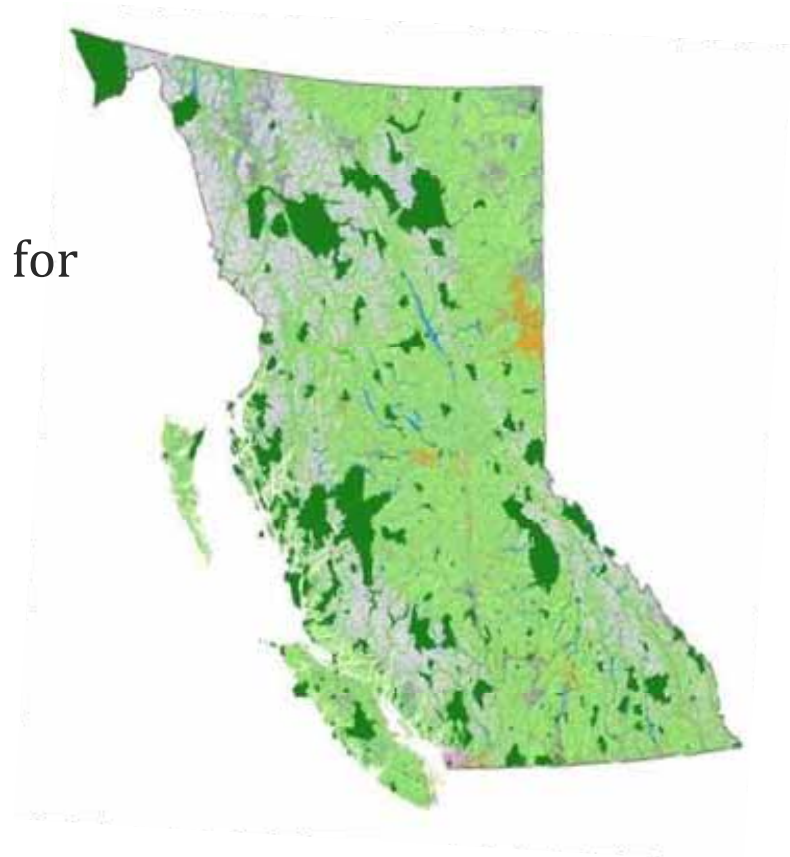
Central and North Coast

- 6.4 million hectares of Coastal B.C.
- Conflict to Consensus
- Joint Solutions Project
- Government-to-government negotiations with First Nations, Province
- Ecosystem-based management informs forestry operations
- Full protection for more than ¼ of region
- 2007 WWF Gift to the Earth award
- Implemented March 31, 2009



Parks and Protected Areas

- ◆ 13.5 million hectares protected (over 14% of province)
- ◆ 13.3 million hectares designated for special management



Reforestation

- ◆ Required by law
- ◆ Plant nearly 200 million seedlings annually
- ◆ Maintain species diversity
 - More resilient forest
 - Supports habitat
- ◆ 6 billionth tree planted in 2008



First Nations

- ◆ Increased First Nations participation
 - Shared revenues
 - Access to tenure
- ◆ Ongoing consultation required by law
- ◆ Modern treaty process



Government Regulation

- ◆ Comprehensive laws conserve all forest resources
 - Fish
 - Biodiversity
 - Recreation Areas
 - Cultural Values
 - Wildlife
 - Old-Growth
 - Scenic Values
 - Riparian Areas (waterways)
- ◆ Requires public input
- ◆ Allows innovation
- ◆ Focus on results
- ◆ No illegal harvesting



Government Regulation

- ◆ Commissioned study of global forest policy
- ◆ Yale University Professor Dr. Ben Cashore
 - Independent, thorough
 - Studied 38 jurisdictions
 - Proved B.C. laws are among the most stringent on earth

"Throughout our research, we found that B.C. takes a stringent approach to forest Policy regulation development, and on Key measures we compared, is among the top of the 38 jurisdictions we studied from around the world."
- Dr. Benjamin Cashore

Regulating Forest Activities

- ◆ Multi-faceted compliance and enforcement
 - 300 highly trained staff
 - 15,000 inspections
 - Focus on Highest-risk activities
- ◆ Independent Forest Practices Board
- ◆ Skilled resource professionals
- ◆ Third-party certification

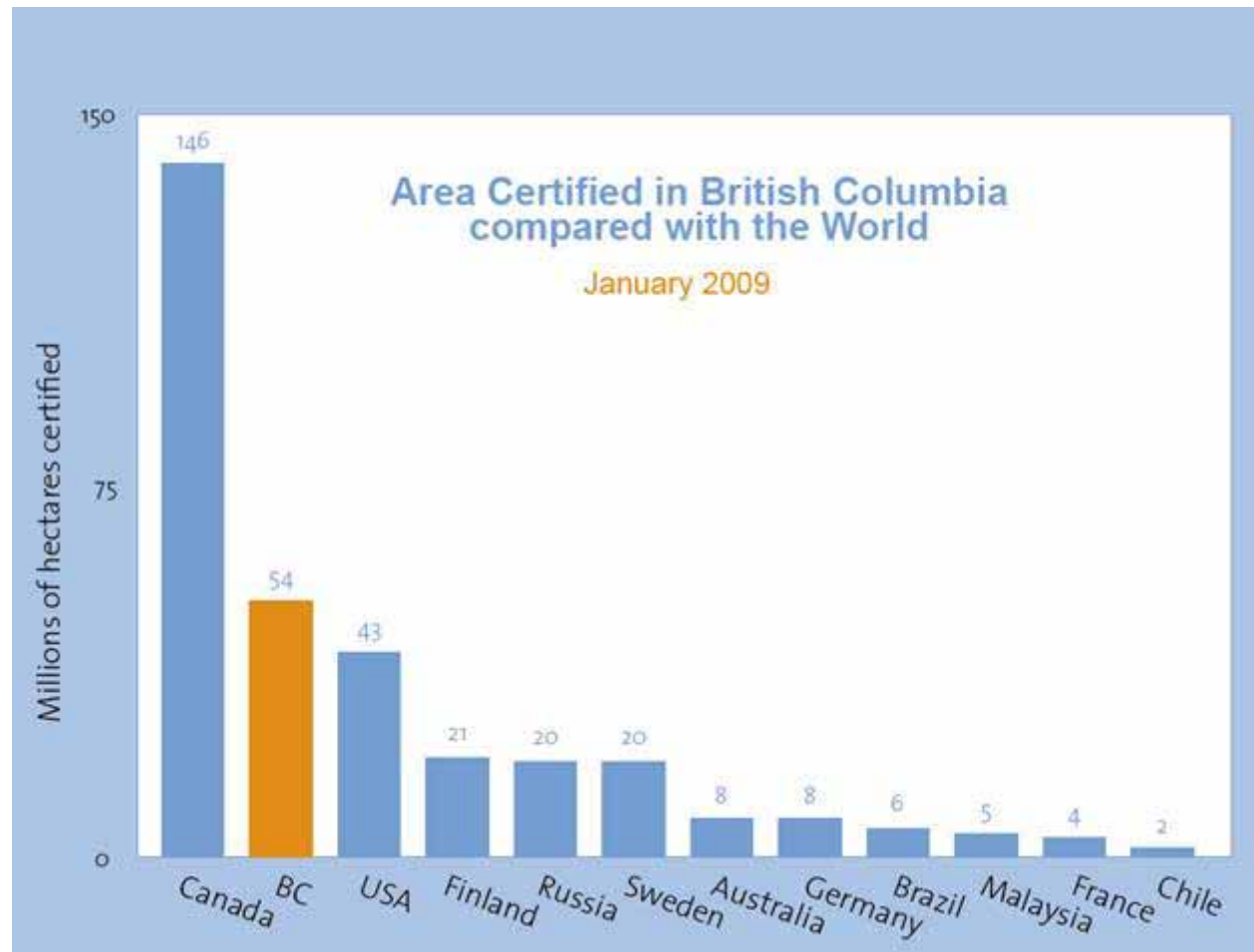


Voluntary SFM Certification

- ◆ Independent guarantee of legal and sustainable forest management
- ◆ British Columbia is a world leader in third-party certification
 - 3 globally recognized programs
 - Over 54 million hectares certified
 - Only Canada as a whole has more



Voluntary SFM Certification



Mountain Pine Beetle Epidemic

- ◆ Endemic to our forests
- ◆ Overabundance of mature pine
- ◆ Mild winters, dry summers
- ◆ Increased harvest
 - Speeds up regeneration
 - Recovers economic value
- ◆ Bioenergy potential
- ◆ Blue stain does not affect structural properties of the wood.



Bioenergy

- ◆ Opportunities to use fibre for green energy
- ◆ More fibre available
- ◆ Diversify industry



Forest Sector Leader

- ◆ British Columbia is a world leader in forest management:
 - Huge land base
 - Public Ownership
 - Economic dependence
 - High environmental values
 - Innovative solutions for economic, environmental and social balance
 - Above and beyond with voluntary certification
 - Company and Government commitment to world-leading SFM practices

- ◆ British Columbia is also a leader in the production of high quality forest products

Choosing Wood, Pulp and Paper from Sustainable Sources

- ◆ Responsible sources are those that embrace these principles
 - Harvest legally
 - Regenerate promptly
 - Reduce waste, and support recovery and recycling
 - Reduce greenhouse gases and help fight climate change
 - Welcome independent scrutiny of how they manage forests