

2019 ANNUAL REPORT



**FORESTSTM
FOR ALL
FOREVER**

Forest Stewardship Council®

FSC® 000205

MESSAGE FROM THE CHAIR

In 2019, FSC® Canada released a modern standard for well-managed forestry that aligns with international indicators while emphasizing Canadian priorities. The Forest Management Standard offers a platform to advance Free, Prior and Informed Consent, protect Species at Risk such as woodland caribou, and integrate Intact Forest and Indigenous Cultural Landscape concepts. It highlights strong community and positive worker relations, and recognizes the role of well-managed forests in combatting the global climate crisis.

We will pilot the new standard through active engagement of certificate holders and stakeholders to build consensus and provide value across FSC Canada's diverse membership and supply chains.

The launch of the new standard makes 2020 a pivotal year, alongside a new national strategic plan that focuses on collaborating with Indigenous Peoples, expanding brand value and markets, growing the FSC supply, and unleashing the power of knowledge.

With great change comes great responsibility. Our new national standard will require all four chambers to fully embrace and implement across the country. The results of this initiative are poised to have global significance.

David Flood, Board Chair



David Flood, Board Chair

MESSAGE FROM THE PRESIDENT

The year 2019 marked major milestones in FSC Canada's history. We officially launched the new national Forest Management Standard – marking the end of six years of rigorous consultation with our four chambers: industry, environment, social stakeholders and Indigenous groups.

The new standard addresses the most pressing issues facing Canadian forests today, including woodland caribou, Indigenous Peoples' rights, workers' rights including gender equity, landscape management and conservation. This new national framework provides proven procedures and protocols required to sustainably cultivate and care for our forests.

We also launched a National Controlled Wood Risk Assessment, developed in a three-year collaboration with members of our four chambers. It provides consistent and credible application of FSC's Controlled Wood standards and policies to prevent unacceptable sourcing.

Since 1993, the Forest Stewardship Council has represented the gold standard of well-managed forestry in Canada and around the world. As FSC's standards of responsible forest and supply chain management are adopted, we can continue to offer businesses credible verification of sustainably-produced timber and wood products, and help consumers identify products from well-managed forests.

Francois Dufresne,
President, FSC Canada



**Francois Dufresne,
President, FSC Canada**

FSC CERTIFICATION STATISTICS



50 million

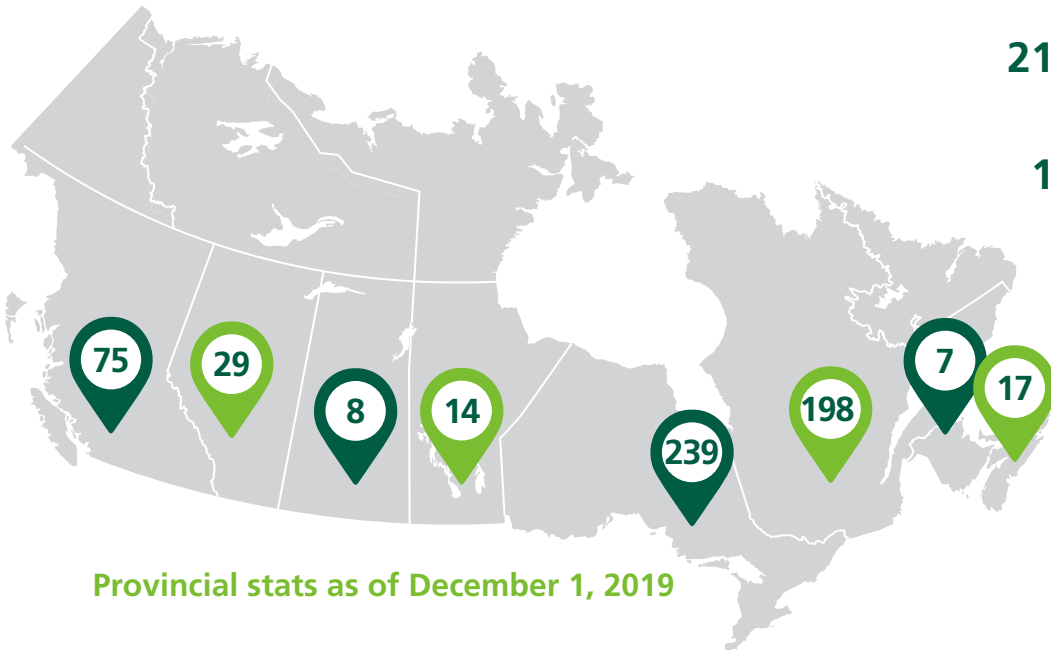
hectares of FSC certified forests in Canada



201 million

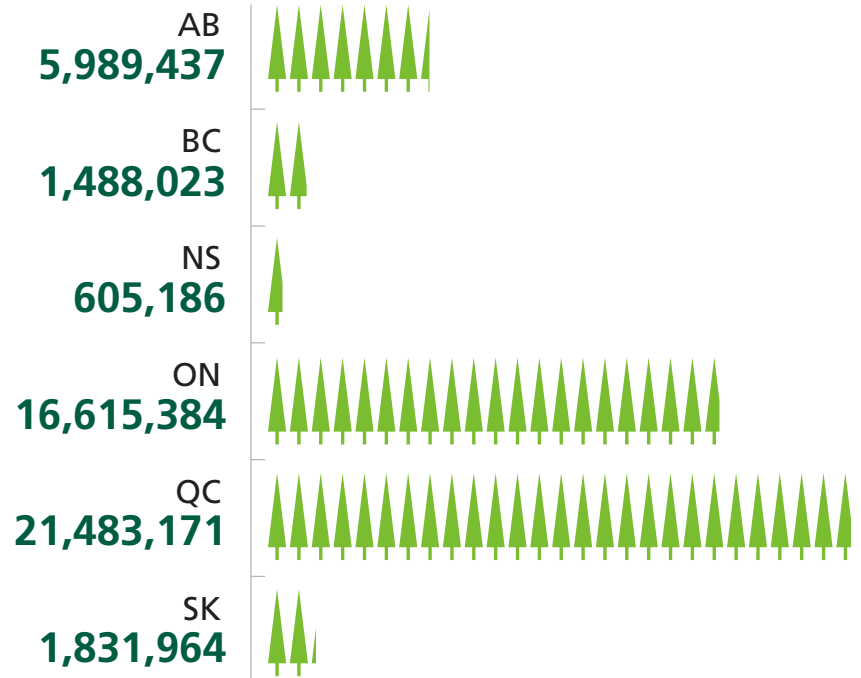
hectares of FSC certified forests worldwide

Chain of Custody Certificates in Canada:



Provincial stats as of December 1, 2019

Hectares of FSC certified forests by province:



14%

of Canada's forests are FSC certified



6/10

of the largest global FSC certified forests are in Canada

A close-up photograph of a green leaf with a prominent vein structure. A white grid pattern is overlaid on the leaf, creating a series of small, irregular cells that follow the general shape of the leaf's veins. The word "STANDARDS" is written in bold, white, uppercase letters across the middle of the grid.

STANDARDS

THE NEW GOLD STANDARD IN SUSTAINABLE FORESTRY IS HERE

FSC is proud to announce the launch of a comprehensive new, national standard for responsible forest management in Canada.

After six years of deep consultation with industry, environmental, and social stakeholders and Indigenous groups, the new standard targets the most pressing issues threatening Canadian forests today. These are led by the woodland caribou crisis, the rights of Indigenous Peoples, workers' rights and gender equity, conservation, and landscape management.

This new Canadian framework knits together the existing four regional standards, updated to address the most urgent issues affecting our forests,

FSC's revised Principles and Criteria and International Generic Indicators, as well as new field-tested, approved procedures and protocols to sustainably cultivate and care for our forests.

The new Forest Management Standard targets specific issues that threaten Canadian forests, including:



INDIGENOUS PEOPLES' RIGHTS:

Over 1.6 million Indigenous Peoples live in or near forests in Canada. The new standard introduces requirements to proactively recognize and protect their culture, livelihood and lands.



WOODLAND CARIBOU

CRISIS: Caribou help signify the health of the forest and support other plants and wildlife,

including birds, insects and small mammals. New requirements directly support caribou habitat by avoiding or limiting the loss of their forest land.



WORKERS' RIGHTS AND

GENDER EQUITY:

FSC requires that forest managers maintain or enhance the social and economic wellbeing of forest workers. This helps protect the rights of those who depend on our forests for their livelihood, including health, safety and gender inequity.



LANDSCAPE MANAGEMENT

AND CONSERVATION:

Landscape-level management is needed to maintain, enhance and restore ecosystem services. The new standard brings requirements to minimize and avoid landscape disturbance, such as aligning forestry activities with other industrial activities, and protection of waterways.

The new FSC Forest Management Standard was launched on June 3, 2019 and must be phased in by certificate holders by January 1, 2021.



A photograph of a pine nursery with rows of young, vibrant green pine trees planted in dark brown soil. The trees are in various stages of growth, with some in the foreground being more detailed and others blurred in the background. The overall scene is bright and green, suggesting a healthy and well-maintained forest seedling operation.

TESTIMONIALS

FSC continues to be the world's most trusted forest management standard.

"In the middle of a global wildlife crisis, the announcement of a new FSC standard in Canada offers the logging industry a clear choice: be part of the problem or be part of the solution. Recent findings by the world's scientific experts that up to a million species of plants, insects and animals face extinction are a major wake-up call. This is no time for business as usual. Companies that claim they are committed to operating in harmony with our natural world and respecting the rights of Indigenous Peoples can prove it by getting forests they manage FSC certified. Greenpeace Canada's support for these standards is underpinned by the inclusion of Indigenous Peoples' right to free prior and informed consent, protections for threatened wildlife and opportunities for local communities."

Shane Moffatt

Head of Nature and Food Campaign, Greenpeace Canada

GREENPEACE



“These efforts enable our company to continue applying a consistent set of standards across our management units, while promoting and facilitating an opportunity for proactive collaboration.”

Dr. Elston Dzus
Forest Ecologist,
Alberta-Pacific Forest Industries Inc.



“The accreditation of the revised FSC standard is great news for local jobs and the health of forests. We proudly support FSC and encourage all forest management companies to adopt the values that the Council represents.”

Cameron Shiell
Forestry Officer,
Private and Public Workers of Canada



"We commend the hard work of FSC and environmentalists, Indigenous Peoples, forest workers and companies to develop a new forest management standard. There is a lot of potential to make a difference for nature, respecting the rights of Indigenous groups and maintaining healthy forest communities."

Janet Sumner
Executive Director, Wildlands League



WILDLANDS LEAGUE

A chapter of the Canadian Parks and Wilderness Society



“The new FSC standard sets a high bar for forestry practices around the world. Finding solutions is complex and requires leadership. Indigenous rights-holders and the stakeholders of Canada’s vast forests have shown us a new bar for how to be better stewards of our planet, support a stable climate, and ensure healthy forests for woodland caribou. Now it’s up to us as forest-users to implement it, and consumers to ask for it.”

James Snider
Vice President, Science, Research and Innovation,
WWF Canada

APPROVED: NATIONAL CONTROLLED WOOD RISK ASSESSMENT

Controlled wood is virgin wood or wood fibre that can be mixed with FSC-certified material when producing 'FSC Mix' products. Controlled wood is verified by FSC to have a low risk of being sourced from forests that may be illegally harvested, be harvested in violation of traditional and civil rights, be converted to plantations or non-forest use, have threatened conservation values, or contain genetically modified trees.

Although FSC is the fastest-growing forest certification system in the world – covering more than 50 million hectares in Canada and including more than 600 companies certified to FSC's standards – many forests still do not meet those standards that foster healthy forests and strong communities.

To help enforce even greater sustainability, the FSC Controlled Wood (CW) verification ensures that 100% of the virgin fibre – then mixed with FSC-certified and recycled fibre – originates from an approved and acceptable source.

To this end, FSC introduced a new National Risk Assessment for Canada in June 2019, following three years of consultation with industry, environment, and social stakeholders and Indigenous Peoples. This measure aims to help companies consistently apply the FSC CW verification standards, and take steps to mitigate any risks to Indigenous rights, vulnerable species such as woodland caribou, and Intact Forest Landscapes. It was to be phased in by certificate holders by December 26, 2019.

“We wanted to create a modern building that meshes perfectly with Parc Jean-Drapeau’s natural environment...”



FORMULA 1 GRAND PRIX PADDOCKS

The Formula 1 Grand Prix Paddocks in Montreal, welcomed a new, permanent home that was built with FSC certified cross laminated timber.

THE NEED FOR SPEED

As part of a renewal agreement for the Canadian Grand Prix, the City of Montreal committed to replacing its temporary structures with a permanent building that could accommodate the needs of this major annual event.

The new paddock would need to include garages for the racing teams, office space, rooms for the race sponsor, lounge space for 5,000 people, and a media center for journalists and broadcasters all within a short 10 month period and a budget of \$60 million CAD. An innovative open-air lounge design is a sustainable solution whose

natural ventilation negated the need for an HVAC system, and will bring fans closer to the sights and sounds of the raceway.

MATCHING THE PADDOCKS TO THEIR SURROUNDINGS

Architectural and construction teams delivered this 300-metre building, topped by an impressive roof canopy consisting of a grid of diagonal beams.

Designed by Les Architects FABG, the multi-purpose facility roof structure incorporates FSC-certified cross-laminated (CLT) timber, glued-laminated beams and CLT decking supplied by Nordic Structures.

“We wanted to create a modern building that meshes perfectly with Parc Jean-Drapeau’s natural environment while making sure it meets the technical and



technological criteria related to the requirements of Formula 1,” said architect Eric Gauthier.

Incorporating wood in the roof structure proved to be a turnkey solution, as the glued-laminated and cross-laminated beams are light, require easy assembly and don’t need any specialized equipment.

THE RESULTS

The roof canopy is prefabricated using CLT wood beams and panels, with life-cycle analysis in mind. If the racing event is ever terminated, the entire structure could be repurposed or the materials reused.

The building won the Canadian Architect Award of Excellence in December 2018. The magazine cited the building’s modern look, use of eco-responsible materials and its seamless integration into the natural setting of the park.

EXPANDING BRAND VALUE AND MARKETS

The continued evolution of FSC as a strong and recognized brand in the marketplace is essential to increasing the demand for FSC-certified products and strengthening the market benefits for existing and prospective participants in the FSC system.

P&G BOLSTERS COMMITMENT TO SOURCING FSC PRODUCTS:



Procter & Gamble (P&G) announced its new fiber sourcing goals, committing to nearly doubling the amount of FSC-certified fiber to 75% by 2025.

This extends to the Charmin, Bounty and Puffs brands.





MCDONALD'S CANADA INTRODUCES FSC PACKAGING AT COUNTRY'S FIRST "GREEN CONCEPT RESTAURANT"



McDonald's unveiled two "Green Concept Restaurants" in London, Ontario and Vancouver. These franchises are testing new packaging options that include

lids for three cup sizes made from 100% FSC certified wood fiber. The restaurants will also offer customers FSC-certified wooden cutlery, wooden stir sticks, and paper straws.

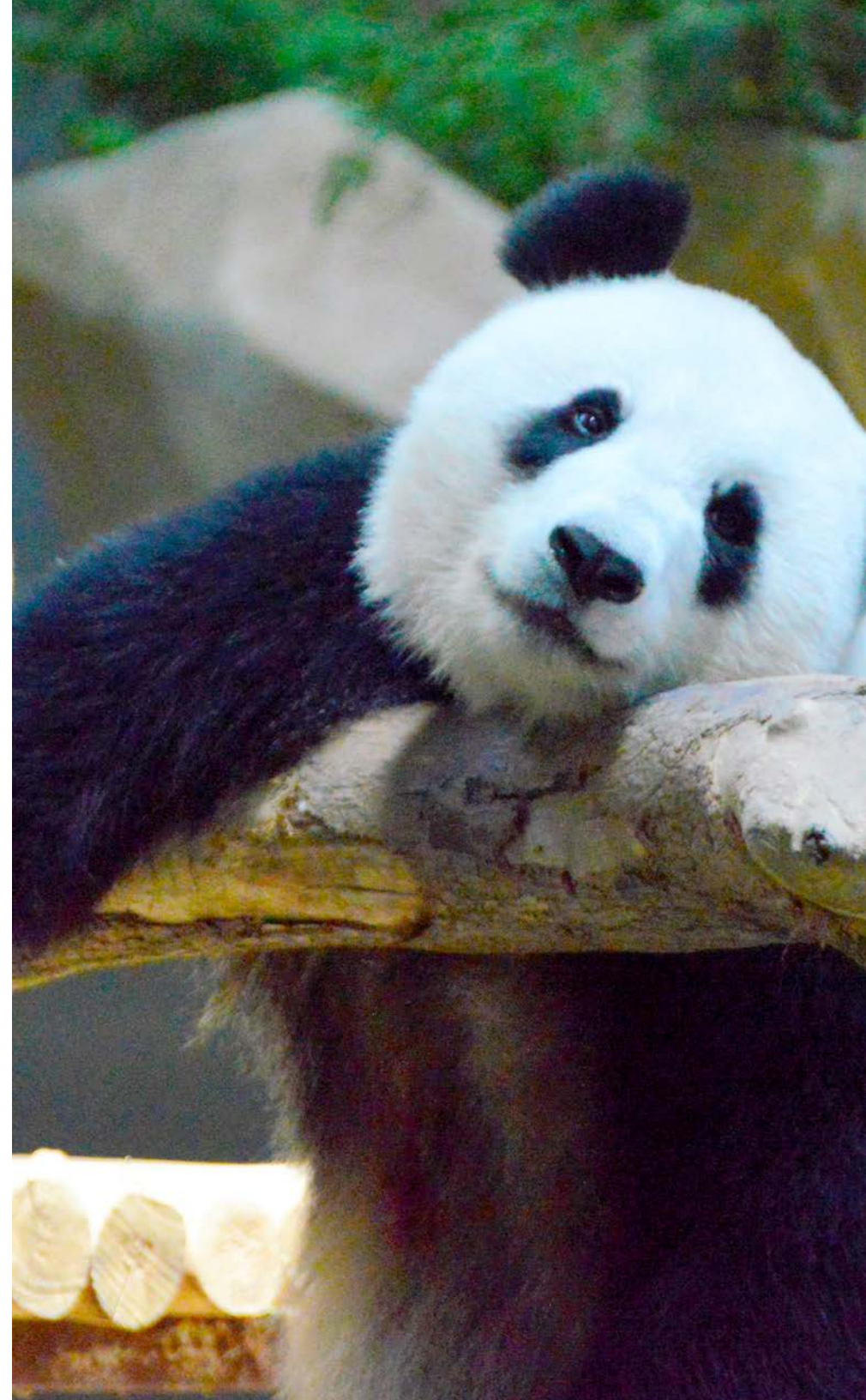
This stems from a January 2018 announcement when McDonald's declared that by 2025, all its guest packaging would come from renewable, recycled, or certified sources – with a preference for FSC certification.

THE CALGARY ZOO'S PANDA EXHIBIT FEATURING FSC-CERTIFIED WOOD WINS AWARD FOR SUSTAINABLE BUILDING PRACTICES



“Panda Passage”, part of the Calgary Zoo’s commitment to cutting-edge habitat design, received a Petal Certification – marking it as one of the most advanced habitats in the world.

Panda Passage, which opened in 2019, features 2,000 square metres of both outdoor and indoor habits. It was made with non-toxic materials, FSC-certified wood and repurposed materials.





AIR CANADA REPLACES PLASTIC STIR STICKS WITH FSC-CERTIFIED PRODUCTS



Air Canada is reducing single-use plastics during flights and in its workplaces, furthering its commitment to curtail waste. Air Canada will replace plastic with FSC-certified wood stir sticks in drinks served on all aircrafts, a move expected to save 35 million plastic stir sticks annually.

ON THE ROAD



RAISING AWARENESS AT THE GREEN LIVING SHOW

FSC Canada exhibited at the 2019 Green Living Show in Toronto, which is North America's largest consumer show dedicated to all things green. From March 22-24, the show's 30,000 visitors were invited to the FSC Canada booth to learn more about FSC certified products – broadening awareness of what the FSC logo means on household items.

SASKATCHEWAN LIVING GREEN EXPO

FSC Canada presented to over 500 people on the main stage of the Saskatchewan Living Green Expo on April 26, 2019, sharing simple steps to help take care of our forests. FSC Canada also had a table at the event where consumers could interact with staff to learn more.

RBC EARTHDAY FAIR

Over 500 RBC employees participated in the company's annual Earthday Fair, giving them an opportunity to learn about RBC's commitment to FSC and how their own choices are part of the solution.

KEMPTVILLE WINTER WOODLOT CONFERENCE

On February 22, 2019, FSC Canada joined the Eastern Ontario Model Forest (EOMF) at the Kemptville Winter Woodlot Conference. The EOMF took attendees on a journey through time, exploring how forests and their management have changed over the past three decades, and what the future holds.

CANDEREL BUILDING EVENT

FSC participated in Canderel's green team meeting and lobby event to inform over 1,000 visitors and tenants about FSC and green building products.

CANADIAN KITCHEN AND CABINET ASSOCIATION FALL EVENT

FSC Canada presented at the Canadian Kitchen and Cabinet Association, demonstrating how sustainability is key to market differentiation for Canadian kitchen and cabinet makers and how using fully certified products can set them apart from their competitors.

FSC CAMPAIGNS

TOGETHER WE ARE FSC

The United Nations Sustainable Development Goals (SDGs) are a framework for global change. They highlight the areas we all need to focus on to ensure a brighter future for us as human beings as well as for the rest of the planet.

To showcase FSC's contribution towards the SDGs, FSC launched a new website that highlights FSC's values and relevance to the United Nation's 17 Sustainable Development Goals.

The site includes snapshots from the lives and work of a variety of people, from forest owners in Finland to a hotel owner in Mexico, depicting our global community's united effort to ensure forests for all forever.

We encourage you to explore the new site, meet the people behind the world's FSC-certified forests, and learn how everyday FSC purchases support a global mission.





Together
WE ARE FSC™

SUPPORTING RESPONSIBLE FORESTRY ON FSC FRIDAY

On September 27, 2019, FSC Canada and hundreds of different organizations around the world celebrated **FSC Friday**, an annual event designed to raise awareness of FSC and responsible forest management. FSC Canada encouraged certificate holders and other stakeholders to participate, showcasing a variety of ways to get involved online, including a social media toolkit with downloadable and shareable assets.

CONTINUING TO CONNECT WOOD SUPPLIERS AND BUYERS

In September 2018, FSC US and FSC Canada launched a new digital campaign to promote FSC in construction to better serve those interested in using responsibly-sourced wood products in construction. The **FSC North American website** has attracted 3,500 architects, property developers, contractors and interior designers looking for FSC wood products.



PEOPLE





BOARD

Aboriginal Chamber

David Flood, individual
Lorraine Rekmans, individual

Economic Chamber

Chris McDonell, Rayonier AM
Elston Dzus, Alberta-Pacific Forest Industries Inc.

Environmental Chamber

Catharine Grant, individual
Gerard Szaraz, Nature Quebec

Social Chamber

Cameron Shiell, Public and Private
Woodworkers of Canada
John Caluori, Unifor

STAFF

Francois Dufresne
President

Bryce Denton
Financial Manager

Elaine Marchand
Manager, Eastern Canada

Marie-France Thompson
Administrative Assistant

Monika Patel
Director of Programs and Communications

Vivian Peachey
Director of Standards

Consultants

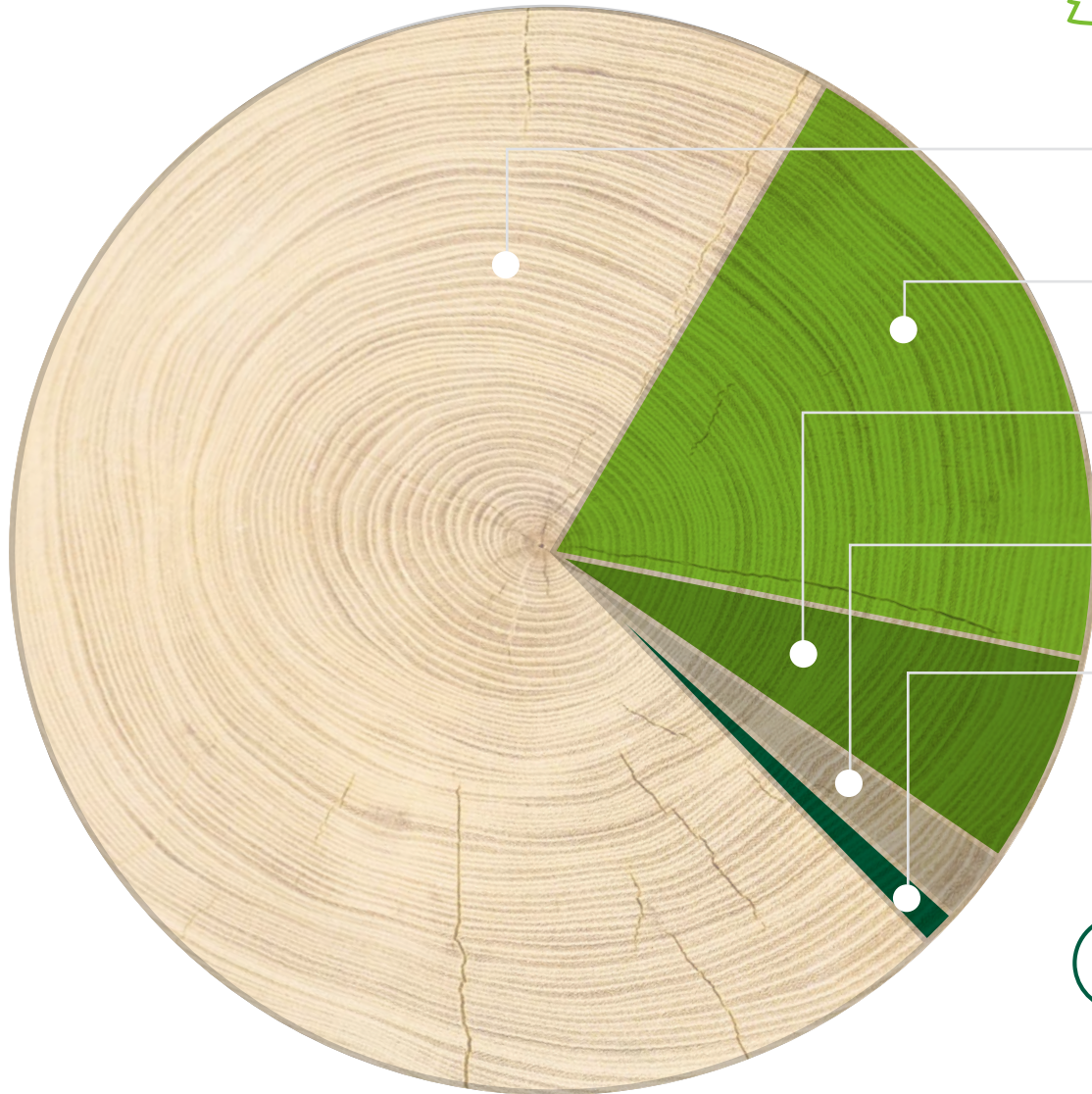
Andrew Tremblay
Market Development Manager

Christine Korol
National Risk Assessment Coordinator

Chris Wedeles
Forest Management Standard Consultant

Jean-Francois Deslalliers
Sustainable Solutions Manager

FINANCIALS



\$1,274,229

Total Income

\$902,221

Certification Fees

\$250,125

Corporate Sponsors

\$81,328

Membership Fees

\$27,352

FSC Grants

\$13,203

Other Income



\$1,031,688

Expenses



FSC® 000205



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FOREVER**