



Annual Report 03-04

REFLECTIONS FROM THE CHAIR



“ A three year process involving more than 2000 individuals and 175 committee members from across Canada who participated in more than 70 meetings, two national forums and four field-testing exercises ...” I am struck by this quote from our National Boreal Standard because it represents the foundation of FSC – members, stakeholders and a diversity of interests tackling the most controversial aspects of sustainable forest management.

I believe it is a credit to all involved that consensus has been built amongst such diverse interests – the successful completion this past year of FSC Canada’s largest undertaking – the *accredited* National Boreal Standard. We now have the standards tools to certify all of Canada’s forests to the most rigorous system in the world – FSC!

This past year we also have learned the harsh reality that the real work is ahead of us – creating the interest, appetite and value for certification. FSC in Canada, like no other place in the world, must now put to work the market mechanism all of us hoped FSC would be to ensure that the world’s forests are sustainably managed. During this past year, for the first time, we have devoted more time to creating

market linkages, build value in FSC, and trying to help forest managers, forest product and paper companies, and corporate customers apply FSC in the marketplace than we did in standards development. This is beginning to pay off in exponential growth in forest certification, and the rise in Chain of Custody certification leading to FSC certified wood, paper and finished products appearing in the marketplace like never before.

The FSC Canada Board has now turned its attention to building a new kind of organization that can meet the challenge of long-term stability and sustainability, and to do so conducted its first Strategic Organizational Review. Change and transition are never easy, but with the feedback from our first Strategic Organizational Review, and with all of the positive market signs and growth opportunities, FSC Canada will become even a stronger organization providing Canadians with a clear choice of sustainability – *because forests matter!*

Denise English, R.P.F.
Chair, FSC Canada

FROM THE ED’S DESK

FSC Canada’s year was a bustling one. Opening the year with word that the conditions on the Maritime Standard had been satisfied was followed in mid-summer with the news that the BC Standard had received preliminary endorsement under new FSC policy. Finally, not long after the end of the fiscal year the National Boreal Standard received accreditation.

This past year has seen the most intense effort nationally in standards development with more than 50% of total operating expenses devoted solely to the Boreal Standard development! Overall operating costs grew to beyond the \$ 1 million mark – triple the budget from 2001 at the national level with a full and part-time staff complement of nearly 10 people working coast-to-coast supporting teams of volunteers in nearly every province and territory. But even before the first standards chapter

was near completion we added to the chapter on markets! Wood product makers were looking wood supply, organizations were looking for paper and printers, and companies and communities wanted more information to better understand the standards and certification processes. We organized or participated in at least 2 shows, conferences or forums per month and contributed to many articles and trade magazines raising awareness about FSC and FSC products.

We would like to thank the foundations who have supported us this past year through these projects – Richard Ivey Foundation, Kohlberg Foundation, and The Pew Charitable Trusts – and the various corporate and organizational donors who have provided financial and in-kind support. While look for continued support from the philanthropic community, we will be searching to broaden our

revenue streams by providing market tools and brand value for certificate holders, and standards and certification support services to forest managers seeking certification.

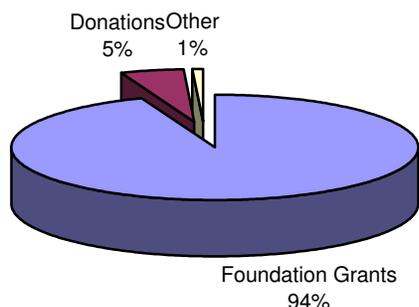
Adding FSC certification customers to the mix of members and other stakeholders is critical to our future success. Together we must continue to create market demand for products from well-managed forests – FSC certified forests – *because forests matter!*

Jim McCarthy
Executive Director
FSC Canada

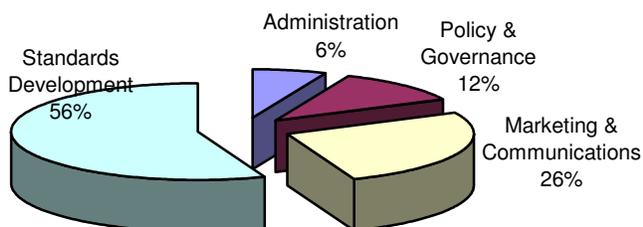


Financial Report for the FSC Canada

Revenues
\$ 1,131,855



Expenditures
\$ 1,004,478



McPherson & McPherson Chartered Accountants audited the 2003-2004 Statement of Financial Position of FSC Canada as at March 31, 2004 (copies available on request from the FSC Canada office). The Revenues and Expenditures reflected above demonstrate the sources of income and approximate allocation of expenditure by area of activity. Both Revenue and Expenses increased over the previous year, while the allocation of resources as a percent to Standards Development and Markets Development and Communications remained about the same as the previous year.

FSC Canada would like to acknowledge its gratitude to the following organizations providing financial support for 2003-2004 fiscal year: The Pew Charitable Trusts, The Richard Ivey Foundation, and The Kohlberg Foundation.

Highlights of the Year

- National Boreal Standard accreditation
- Preliminary accreditation of BC Regional Standard
- Passing the 4 million ha certified mark (10% of FSC global total)
- Cooperative promotional campaign with Home Depot
- Creating the Paper Forum

Acknowledgements ...

- The Pew Charitable Trusts
- Richard Ivey Foundation
- Kohlberg Foundation
- Tembec Inc.
- Alberta Pacific Forest Industries Inc
- Domtar Inc
- Abitibi Consolidated Inc.
- WWF Canada
- Eastern Ontario Model Forest

FSC Canada Board of Directors 2003 - 2004

Denise English (Chair)	East Kootenay Environmental Society
John Wiggers (Co-Chair & Treasurer)	Wiggers Custom Furniture Ltd.
Jean Arnold (Secretary)	Falls Brook Centre
Arnold Bercov	Pulp, Paper & Woodworkers of Canada
Russell Diabo	First Nations Policy Consultant
Lorne Johnson	WWF Canada
Brent Rabik	Alberta Pacific Industries
Jim Webb	Little Red River Cree First Nation

Contacts - Staff

Jim McCarthy	Executive Director
Vivian Peachey	Director, Certification Applications and Brand Management
Marcelo Levy	Director, Standards Development
Marc Thibault	Coordinator, National Boreal Standard
Simon Jia	Communications Officer
Hadley Archer	Market Analyst Intern

Regional Coordinators/Chairs

Nicolas Blanchette	Coordinator, Quebec
Ananda Lee Tan	Chair, BC Regional Chapter
Sue Kemmett	Chair, Yukon Regional Committee
Jeff Amos	Chair, Maritime Regional Committee