They say Rome wasn’t built in a day, but they were laying bricks every day. This past year FSC Canada has laid a number of foundational bricks, not only for the overall business, but also for some of our core projects.

This past year the Board has focused on strategic planning to provide the organization a foundation for the next 5 years. By forging a common understanding on vision and priorities, the board hopes to ensure FSC rises to the occasion for what’s necessary and what’s possible to move the organization in the right direction.

Of course to move in the right direction, we must have a solid internal foundation. Last year we focused on strengthening our internal governance system by aligning our bylaws to FSC International’s. This year, we have continued with that momentum and concentrated on updating key internal policies ensuring consistent and efficient operations.

We’ve also made progress in the revision of FSC Canada’s Forest Management Standard. In the past 12 months, the Standard Development Group, six Technical Expert Panels, staff and consultants have been working diligently to help compile the first draft which will be released for public consultation in fall 2015.

It’s been exciting year and although we’ve been laying a brick every day, year after year, we couldn’t do it without great supporters, dedicated staff and an active membership. We look forward to working with you in 2016 to build our successes and to consolidate the progress we have made together.

- Steven Sage & Arnold Bercov, Co-Chairs of the FSC Canada Board of Directors -

BOARD OF DIRECTORS

**Aboriginal Chamber**
Brad Young, National Aboriginal Forestry Association
Brenda St-Denis, Wolf Lake First Nation

**Economic Chamber**
Chris McDonell, Tembec Inc.
Steven Sage, Kruger Products LP.

**Environmental Chamber**
John Cathro, Individual
Chris Miller, CPAWS

**Social Chamber**
Satnam Manhas, Ecotrust Canada
Arnold Bercov, Pulp, Paper & Woodworkers of Canada
This past year has been characterized as a time of change for FSC Canada - but with change, comes opportunity and growth. For the last couple of years we have focused on rebuilding the organization’s capacity and structure. I am proud to say that we now have 6 experienced full time employees that are helping to transition the business by supporting core service delivery.

With a solid internal foundation, FSC Canada has been able to work diligently on drafting a Forest Management Standard. This process, taking us into 2016, will pay particular attention to key issues including Intact Forest Landscapes and Indigenous Cultural Landscapes; Free, Prior and Informed Consent; and Species at Risk - Woodland Caribou. This work becomes increasingly paramount with our current certified forests and the number of prospective forests that will become certified across Canada, particularly in areas like British Columbia.

Of course, we can’t think of the forest without thinking of the supply chain. The marketplace will be featured at the forefront during 2016. As the first draft(s) of the standard is consulted on across the country, attention will turn to developing key partnerships, managing the brand in the marketplace, and creating additional value for FSC certification in Canada.

On a global level, FSC is in the process of completing its new 5 year strategic plan. As a whole, FSC’s common inspiration is that the true value of forests is recognized and fully incorporated into society worldwide. Essentially, we aim to revitalize our standard framework, increase market value and transform the way we work globally.

Although change can be challenging, the fruits of our labour are in sight. We look forward to working with board members, supporters, stakeholders, and certificate holders over the upcoming year to continue to keep our Forests for all forever.

- Francois Dufresne, President -
STANDARDS

INTERNATIONAL GENERIC INDICATORS APPROVED

In March 2015, the FSC International Board of Directors approved the International Generic Indicators.

A Transfer Procedure (FSC-PRO-60-006) has been developed by FSC International to provide a framework for the transfer process and facilitate development of national indicators.

FSC Canada’s Standard Development Group, six Technical Expert Panels, staff and consultants is currently reviewing the IGIs in order to make the transfer appropriate for a Canadian context.

FOREST MANAGEMENT STANDARD REVISION PROGRESS

FSC Canada’s Forest Management Standard Revision Process is well underway. In the past year, FSC Canada’s Standard Development Group, six Technical Expert Panels, staff and consultants have been working diligently to address the International Generic Indicators, critical concepts such as Free, Prior and Informed Consent and Intact Forest Landscapes; and drafting indicators.

Preliminary draft indicators have been developed across all Principles and will be reviewed further in order to reach cross-chamber support by the Standards Development Group and FSC Canada Board of Directors.

FSC Canada plans to have the first draft of the National Forest Management Standard ready for public consultation by fall 2015.

FREE, PRIOR AND INFORMED CONSENT (FPIC)

In December 2014, FSC Canada partnered with the National Aboriginal Forestry Association to discuss Free, Prior and Informed Consent with First Nations in the forest sector.

The meeting took place from December 3-5, 2014 in Saskatoon, SK with topics covering ‘FPIC in Law and Policy’; ‘FPIC and Forestry in Context: Past, Present and Future’; ‘Aboriginal Title and Forest Management: The New Reality’ and many more.

Indicators related to FPIC are currently being drafted and will be included in the first draft standard.
INTACT FOREST LANDSCAPES

At the 2014 FSC General Assembly, FSC’s highest decision making body, the FSC Membership passed Motion 65 ‘High Conservation Value 2 – Intact Forest Landscapes protection’, which aims to ensure the implementation of Principle 9 and the protection of Intact Forest Landscapes - the world’s remaining large undisturbed forest areas contained in HCV2 - across FSC certified operations.

On May 28, 2015, FSC Canada hosted a facilitated strategic discussion with the FSC Canada Board of Directors and selected chamber representatives to share and discuss issues related to Intact Forest Landscapes (IFLs) and Indigenous Cultural Landscapes (ICLs).

With strategic guidance from FSC International, FSC Canada will continue to move forward with the work to address IFLs and ICLs in the new Forest Management Standard.

CONTROLLED WOOD

Over the past year, FSC Canada has participated in FSC International’s pilot tests to assess the workability of the draft Controlled Wood standard with a particular focus on the proposed requirements for minimum outcomes for control measures.

In August 2015, FSC International announced that company risk assessments will no longer be eliminated on December 31, 2015. Instead, company risk assessments will be phased out over time by replacing the current standard.

With strategic guidance from FSC International, FSC Canada will continue to move forward with the work to develop a National Risk Assessment.

CHAIN OF CUSTODY STANDARD REVISION

At the Forest Stewardship Council’s 2011 General Assembly (GA), the membership made a resounding call to simplify, clarify, and ensure the chain of custody standard is correctly implemented. FSC initiated a process to revise the chain of custody (COC) standard (FSC-STD-40-004), to put into action five of the motions approved at the GA.

In January 2015, FSC US convened a North American Chain of Custody Technical Advisory Group (NA TAG), comprising North American certificate holders and other stakeholders with expertise in the objectives and applications of the FSC Chain of Custody (COC) system. The NA TAG was constituted in order to review the draft FSC COC standard currently under public consultation, evaluate the impacts of proposed changes, provide suggestions for improvement, and flag issues for further analysis by all parties commenting on the standard.
23% of Forests in Canada are FSC certified.

Total 68 certificates, 50,372,336 ha

How many hectares are certified to each FSC standard?

- Boreal: 40,642,649 ha
- BC: 2,162,614 ha
- GSL: 6,890,190 ha
- Maritimes: 676,883 ha
- QC: 35 certificates, 24.5 million ha
- NB, NF, NS, PEI: 6 certificates, 2 million ha
- AB: 2 certificates, 5.6 million ha
- SK: 1 certificate, 1.8 million ha
- ON: 19 certificates, 14 million ha
- BC: 5 certificates, 2.1 million ha
- SK: 1 certificate, 1.8 million ha
- QC: 35 certificates, 24.5 million ha

30% of the world's FSC-certified forests are found in Canada.
81.5% of global certificate holders say that FSC label adds value to their products.

14.9% of all global FSC certificate holders are located in North America.

52.5% of new global FSC certificate holders say that client demands are the reason for them to become FSC-certified.

Ontario and Quebec have the highest % of Chain of custody Certificates in Canada.

14.9% of new global FSC certificate holders say that client demands are the reason for them to become FSC-certified.
SMALLHOLDER FUND PROVIDES ACCESS TO COMMUNITY FOREST IN CANADA

In 2013, FSC International launched the FSC Smallholder Fund to help small and community forests with preparing for FSC-certification, compliance with FSC’s Principles and Criteria, investment in new machinery, enhancing supply chain management and improving market access for FSC-certified products.

The following 4 grant recipients received funding through the 2013 Smallholder fund in Canada:

- Ecotrust Canada, British Columbia
- Eastern Ontario Model Forest, Ontario
- Le Syndicat des producteurs de bois de la Gaspesie, Quebec
- Taan Forest, British Columbia

SMALLHOLDER FUND SUCCESES

When FSC launched the global Smallholder Fund, the Eastern Ontario Model Forest (EOMF) saw this as an opportunity to help increase the number of hectares of private forests managed under the FSC system and respond to the increasing interest in forest certification within the region. The EOMF also saw the launch as an opportunity to introduce additional certified wood products to the marketplace.

Through these extensive efforts, three new community forests (Saugeen Valley Conservation Authority, Grey Sauble Conservation Authority and Halton Regional Forest) were certified to FSC’s standards, resulting in addition of 20,615 hectares of FSC-certified forests in southern Ontario and over 2,400 m$^3$ (annually) of FSC-certified forest products in the marketplace.

$90,000 DISTRIBUTED

3 NEW FORESTS

20,615 HECTARES

2,400 M$^3$ NEW PRODUCTS (ANNUALLY)
In the past 20 years, FSC has become a well-trusted and established brand in sectors and markets around the world. With our new branding we plan to extend our reach by targeting consumers directly.

The new strapline - Forests For All Forever - reafirms the FSC vision of saving the world’s forests for future generations, while the visual identity, which includes the animals and people who live and interact in forests, reinforces the all-encompassing approach FSC takes to sustainable forest management.

The new branding was developed based on a marketing survey that reached 9,000 participants from 11 different countries in 2013. The online toolkit containing the new branding assets can be immediately accessed by certificate holders, and will be available to trademark service providers and key accounts later in the year. FSC Canada will be rolling out the new brand in 2016.
FSC Canada wishes to thank the following partners for their financial support during 2014. Without their support, our work in promoting responsible management of the world’s forests would not be possible:

- Boreal Leadership Council
- Cascades Inc.
- Domtar Inc.
- FSC International
- Kimberly Clark
- Kruger Products L.P.
- Richard Ivey Foundation
- Tembec Inc.