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FSC CANADA 2023 ANNUAL REPORT

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BOARD OF DIRECTORS



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VIVIAN PEACHEY Director of Climate & Landscape Solutions



SEAN DOLTER Director of Policy & Standards



LAUREN CHISHOLM Forest Management Coordinator



JEFF WELCH Market Development Manager



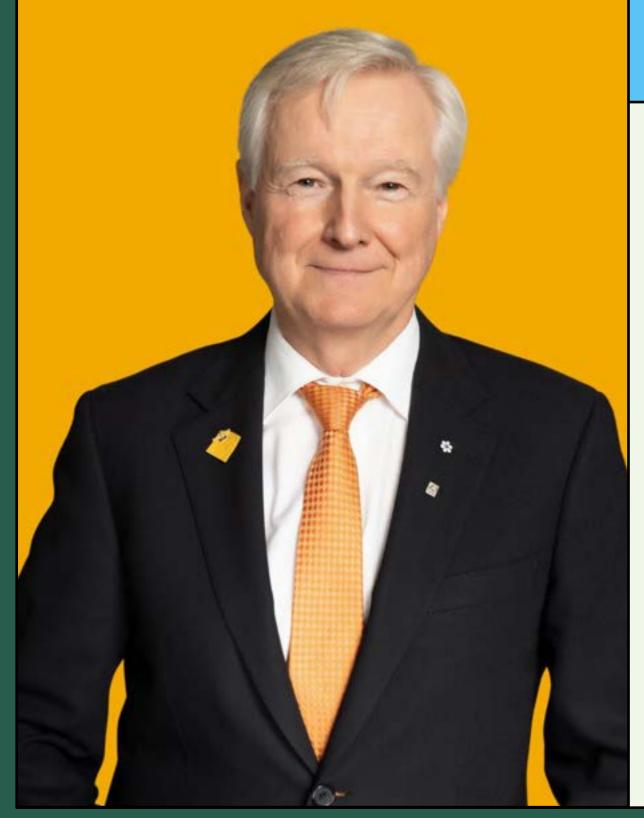
MARIE-FRANCE THOMPSON Administrative Assistant





ORRIN QUINN Manager, Western Canada

BRYCE DENTON Financial Manager



MESSAGE FROM CHAIRPERSON, CLIFF WALLIS

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Canada spans the traditional territories of a rich tapestry of Indigenous Peoples. From those of the Niitsistapi where I live, to the Haida on the west coast and the Innu on the east, I greatly appreciate the ongoing stewardship of these lands by our Indigenous brothers and sisters. FSC Canada respects this land acknowledgment through action to help Indigenous Peoples realize their dreams and aspirations for their forests and their communities.

This year we are in full implementation mode for the FSC 2023-2027 Strategic Plan. A key component is our ongoing certification requirement to uphold Indigenous Peoples' rights, an essential part of the journey with reconciliation.

FSC Canada's mission is "To enable environmentally appropriate, socially beneficial, and economically viable conservation and management of forests within Indigenous homelands and Canada." The Board has committed in the 2023-2027 Strategic Plan to:

- Demonstrate FSC Effectiveness and Brand Value;
- Expand Markets and Consumer Awareness;
- Increase FSC-Certified Area;
- Support Indigenous Peoples' Rights; and
- Co-create Climate Change, Community and Ecosystem-Based Solutions.

This year, I look forward to working with a revitalized partner in FSC US and our joint initiatives to increase FSC brand recognition as well as projects related to Climate Change and Ecosystems Services. We continue our work on approaches to Intact Forest Landscapes and Indigenous Cultural Landscapes while enhancing brand recognition and value.

It is an exciting time for FSC globally with FSC Canada continuing to play its major role in the North American arena and through leadership on FSC's Indigenous Foundation. While still critical to our success, we are moving beyond traditional certification towards a more solutions and outcomes-based orientation.

The climate and biodiversity crises are always top of my mind. FSC certification is moving us in the right direction through better managed and conserved forests as well as more nature-centric that respect the rights of Indigenous Peoples. These bring significant and enduring benefits to local communities.



With the approval of the Small-scale, Low-Intensity and Community Forests Standard (SLIMF+ Community Forests Standard), we can better engage "small holder" private forest owners, community forests, Indigenous forest license holders, and municipalities through simplified

I would like to thank every member of our four chambers, FSC's dedicated staff and our partners, who help us deliver the world's most trusted sustainable forest management solution. They ensure an improving relationship with governments and our Indigenous partners, as well as raise awareness of FSC's brand through innovative and important sponsorships.

I would also like to thank my fellow board members who help FSC Canada navigate through the often choppy waters and keep us on course.

Lastly, I urge everyone to get out and reconnect with your local forests where we can renew our spirits, soak in all that nature has to offer, and rededicate ourselves to the pursuit of excellence in forest protection and management.

C. Wes



MESSAGE FROM PRESIDENT, FRANÇOIS DUFRESNE

As I take a moment to reflect on our journey in 2023, I am filled with a sense of pride and gratitude – while being deeply concerned about the impacts of climate change. It was a year marked by challenges, resilience, and significant strides forward for sustainable forestry in Canada.

In the face of global uncertainties and environmental concerns, FSC Canada remained steadfast in its commitment to promoting responsible forest management practices. Our collaborative efforts with industry partners, government bodies, and local communities yielded remarkable outcomes, demonstrating the power of collective action in safeguarding our precious ecosystems.

We are proud of new notable achievements in our pursuit of sustainable forestry. From expanding certified forest areas to launching innovative conservation strategies, each milestone reflected a commitment to balancing economic prosperity with environmental stewardship. Moreover, we deepened our engagement with Indigenous communities, fostering mutual respect and understanding as we worked together to protect traditional territories and preserve cultural heritage.

In 2023 we did face, however, obstacles that tested our resolve. It was terrible to witness devastating forest fires throughout the Canadian boreal forest, threatening the resilience of that habitat. Climate change-related disruptions, resource constraints, boreal caribou habitat disturbances and evolving regulatory landscapes presented formidable challenges that demanded agility and adaptability. Yet, through perseverance and strategic planning, we navigated these hurdles, emerging stronger and more determined in our mission.

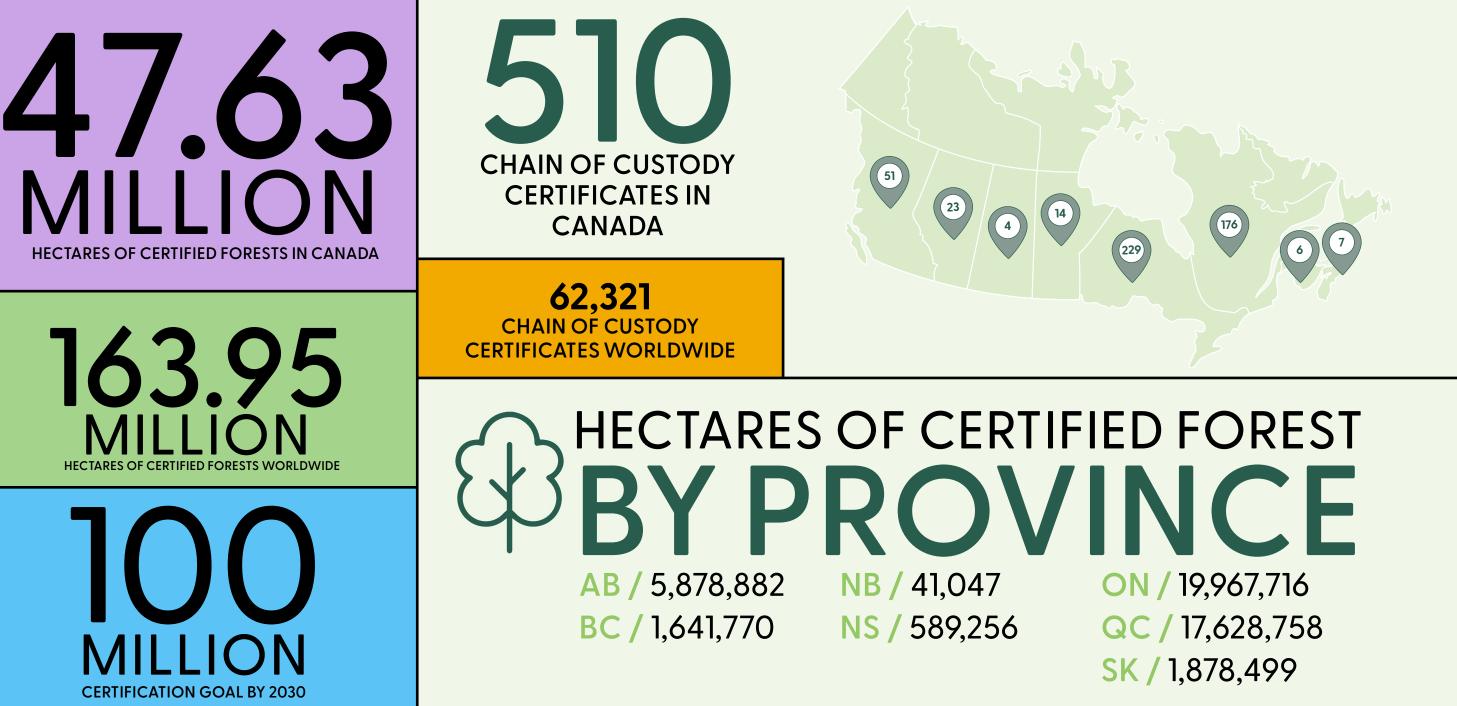
Looking ahead, the lessons learned from 2023 will serve as guiding beacons as we continue to advance sustainable forestry practices in Canada. Our commitment to transparency, accountability, and inclusivity remains unwavering, anchoring our efforts to promote a future where forests thrive, communities prosper, and biodiversity flourishes.

As we embark on the next chapter of our journey, I am filled with optimism and enthusiasm for the possibilities that lie ahead. Together, let us harness the momentum of our past achievements and redouble our efforts to build a more sustainable and resilient future for generations to come.

François Dufresne President, FSC Canada

FSC CERTIFICATION* AT A GLANCE

*Global numbers as of May 23, 2024 / Canadian numbers as of May 7, 2024



CITY OF MISSISSAUGA ACHIEVES FSC CERTIFICATION

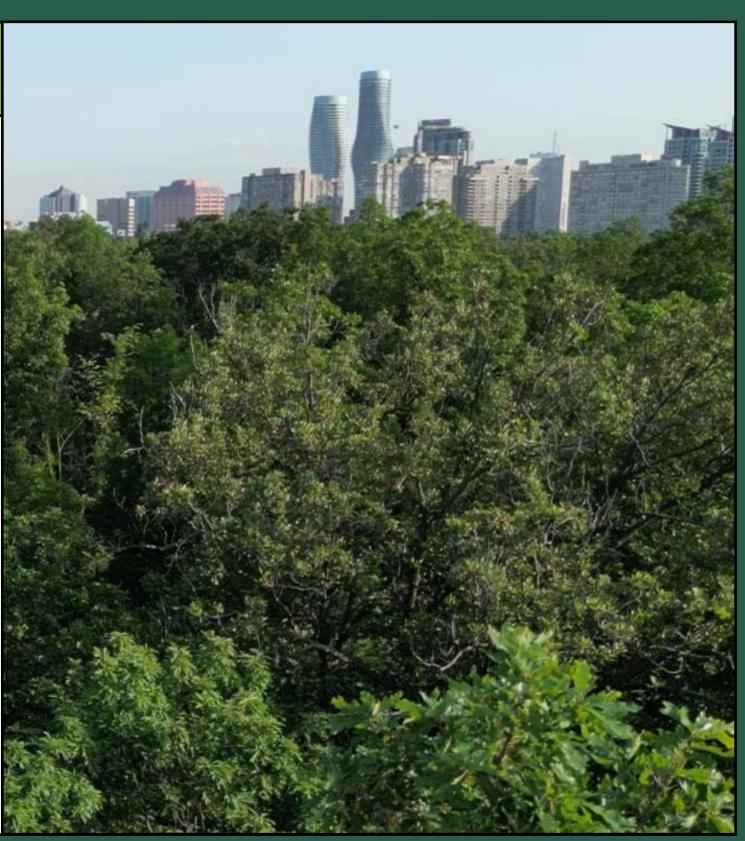
In April 2023, <u>The City of Mississauga</u> achieved the Forest Stewardship Council® (FSC®) certification for the management of 36 woodlands through the <u>Eastern</u> <u>Ontario Model Forest (EOMF) program</u>. Receiving the certification confirms that a forest is sustainably managed, preserves biological diversity and benefits the lives of local people and workers. It sets a clear bar for empowering Mississauga to maintain high forest stewardship standards.

"Mississauga is a city that values the vital role trees play in our community. The FSC certification showcases our commitment to sustainable forest management and protecting Mississauga's woodlands," said Mayor Bonnie Crombie. "The City recognizes the importance of trees for the environment of large urban cities like Mississauga. They provide shade and habitat for wildlife while filtering pollution and controlling flooding."

To become certified, an organization must meet the FSC's standard for forest management. Mississauga's woodlands were evaluated against 10 principles ranging from maintaining high conservation values to monitoring the environmental and social impacts of forest management. They are among the latest in a growing network of woodlands in southern Ontario to fall under the EOMF's program.

"This certification assures the local community that our forest management activities are meeting the highest of standards," said Nadia Paladino, Director, Parks, Forestry and Environment. "Mississauga manages more than 200 hectares of forests, including wetlands, woodlands and natural forests. Receiving the FSC certification helps us raise awareness about the value forests play within our economy, culture, traditions, history and future."

FSC certification brings with it shared solutions to help raise the standard of forest management, and links to a global network of organizations and businesses that protect these ecosystems and fight climate change.

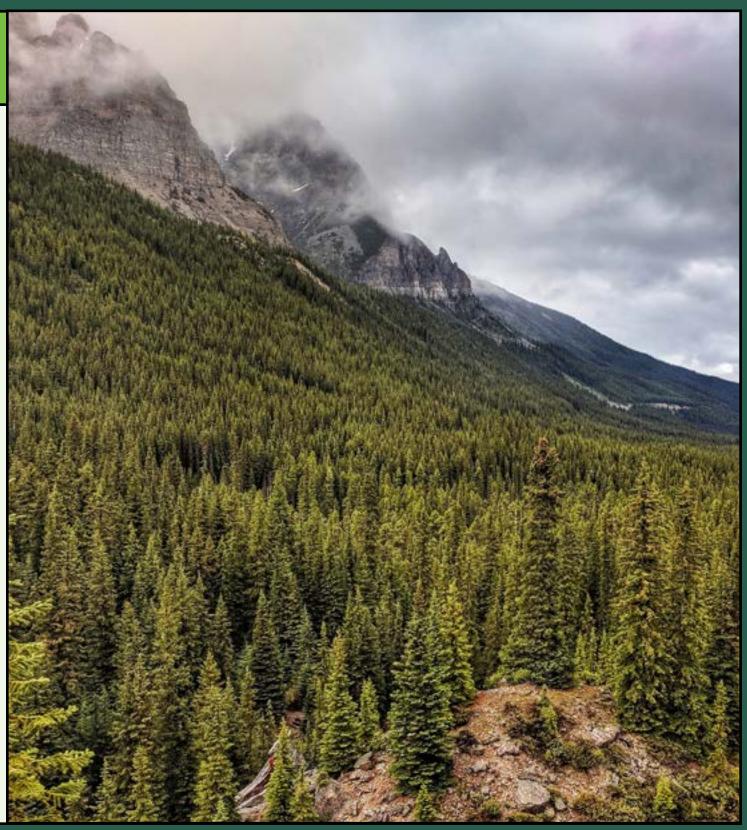


EXPANDING WESTWARD

FSC Canada is embarking on an ambitious expansion into Western Canada. This strategic move aims to strengthen relationships with Indigenous communities, promote certification through forest landscape planning pilots, and increase the certification of forest management (FM) areas.

By partnering with Indigenous Peoples across Western Canada, FSC Canada seeks to ensure that their voices are heard, and their traditional knowledge is respected in forest management practices. This engagement not only fosters a deeper understanding of Indigenous perspectives but also promotes sustainable forest management rooted in local values and traditions.

Furthermore, FSC Canada is in the process of supporting the new forest landscape planning pilots in B.C. by offering valuable toolsets from within its National Forest Management Standard. These pilots will serve as innovative models for integrating sustainable forestry practices with community needs and environmental conservation goals. By demonstrating the benefits of FSC certification within these pilots, FSC Canada aims to inspire broader adoption of sustainable practices throughout the region. FSC Canada is also committed to increasing the certification of forests in Western Canada. By expanding the coverage of certified forests and manufacturing facilities, FSC Canada seeks to enhance biodiversity, protect critical habitats, support diversification of the forest products sector, and promote responsible stewardship.



STANDARDS AND POLICIES



FSC CANADA LAUNCHES NEW STANDARD FOR SMALL-SCALE, LOW-INTENSITY MANAGED AND COMMUNITY FORESTS

In September 2023, FSC approved Canada's Small-Scale, Low Intensity Managed and Community Forests Standard.

Taking effect Jan. 1, 2024, this groundbreaking standard is designed to cater to the distinctive requirements of smallholders, including private forest owners, community forests, Indigenous Forest license holders, and municipalities.

Key highlights include:

Less Burden, More Benefits

New simplified requirements make it easier for small, lowintensity managed forests and community forests to earn FSC certification. This will reduce costs and administrative complexities, freeing these groups to focus on sustainable practices and community development.

Gender Equality

Our standard strongly emphasizes gender equality, promoting fair opportunities for all individuals in the forest and community management process.

Indigenous Peoples' Rights

We are committed to upholding Indigenous Peoples' rights and recognizing their invaluable role in forest management. The SLIMF and Community Forests Standard incorporates Indigenous perspectives and respects traditional knowledge.

Conservation Area Networks We prioritize the creation and maintenance of Conservation Area Networks to protect biodiversity and ensure the long-term health of our ecosystems.

High Conservation Value Assessment

Through comprehensive assessment and monitoring, we ensure these critical zones are preserved and enhanced.

FSC Canada also provided two information webinars, attended by almost 30 people, on the new standard for certificate holders in October 2023 and a calibration meeting for certification bodies in December 2023, attended by 11 certification body representatives.

For more information please visit this <u>link</u>.

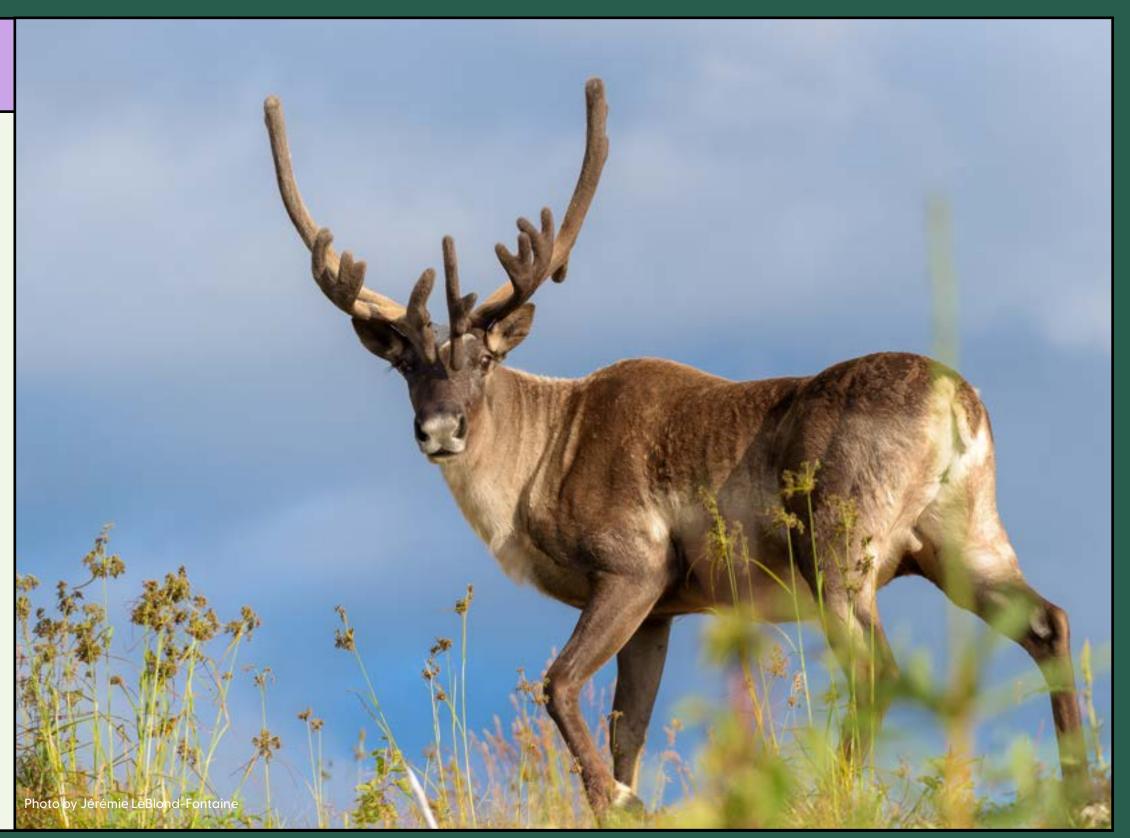




NEW INTERPRETATIONS OF CARIBOU INDICATOR

In 2023, FSC International approved five (5) official interpretations of the National Forest Stewardship Standard related to the caribou indicator (6.4.5). This is a successful result after FSC Canada and its Standard Development Group worked intensively with FSC's Performance and Standard Unit PSU and experts to develop precise, clear interpretations – which help define the intent behind this important requirement.

To review the new caribou interpretations, please click <u>here</u>.





PERFORMANCE MONITORING EFFECTIVENESS

Large Landscapes

In 2021, FSC Canada began to develop a monitoring framework to assess the impact of our standard. The goal: to measure both whether the standard is being implemented as designed and whether the resulting actions are producing the intended outcomes. In 2022, this framework was used to study the effectiveness of indicators for woodland caribou and conservation areas network.

In 2023, we focused on large landscapes, particularly evaluating the implementation of the 2017 Advice Note, to understand the implications of not having indicators specific to large forest landscapes – and determine the optimal approach to address these concerns.

We commissioned a comprehensive report on the subject, published in September 2023, and FSC Canada has analyzed the data to explore avenues to integrate these findings into our overall standard.

Indigenous Peoples' Rights and FPIC

In 2023, FSC Canada intensified efforts to assess the Free, Prior and Informed Consent (FPIC) implementation, drawing upon insights gleaned from recently completed projects. We held a two-day workshop that united project partners, FSC International representatives, and members of the FSC Indigenous Foundation.

The purpose was to learn from our Canadian experience in implementing FPIC, and the workshop spurred an open and valuable dialogue as participants exchanged insights and ideas to combat challenges.

A spring meeting provided another platform to share in-depth countryspecific experiences, showcase best practices, and further build knowledge on this essential subject within the FSC community.

Through collaborative efforts and knowledge sharing, FSC Canada plays in ensuring meaningful engagement with Indigenous communities while promoting sustainable forestry practices globally.

LARGE LANDSCAPES

FSC Canada has advanced our understanding and approach to large landscapes throughout 2023, with a particular focus on Indigenous Cultural Landscapes (ICLs) and Intact Forest Landscapes (IFLs).

Indigenous Cultural Landscapes (ICLs)

In April 2023, FSC Canada hosted an Indigenous Cultural Landscape session involving key stakeholders, including the Firelight Group and Standard Development Group (SDG) members. Discussions centered on the ICL concept and draft requirements and guidance, with plans to develop case studies to further inform policy development.

As a next step, FSC Canada plans to conduct three (3) case studies applying the ICL concept and draft requirements. The outcomes from these studies will be presented to the SDG, informing policy development discussions slated for later this year.

Intact Forest Landscapes (IFLs)

FSC Canada engaged certified forest managers in Ontario with IFLs on their forest management units to better understand IFL characteristics, assess the function and impact of FSC IFL normative requirements, and discuss the feasibility of approaches under development.

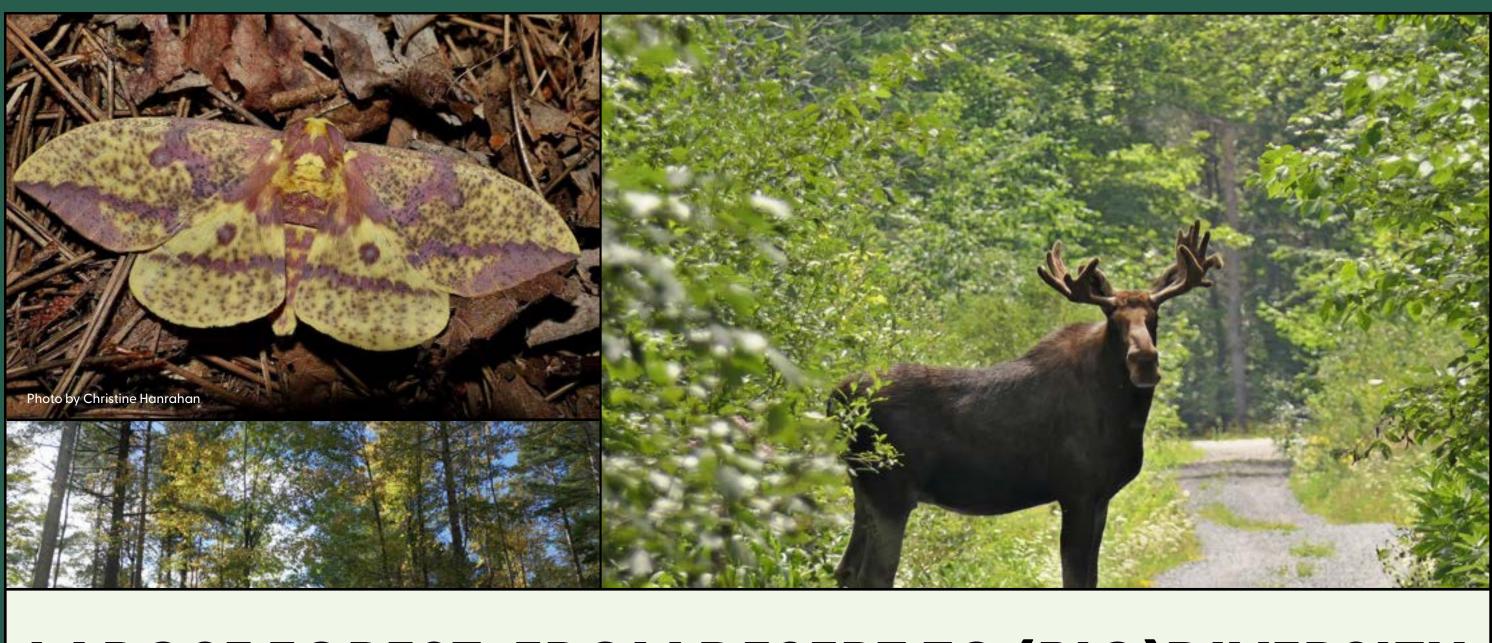
An in-person session was held in June, with insightful discussions aiding in policy development and influencing 2023 and 2024 work actions.

Additionally, a proposal was submitted to FSC International, aiming to pilot draft ICL and IFL approaches in Canada. This project, if approved, will bring results to SDG discussions and decisions about ICL and IFL requirements and guidance, ensuring alignment with Motion 23 directions related to IFLs.





LAROSE FOREST: FROM DESERT TO (BIO)DIVERSITY





From Desert to (Bio)Diversity: **Resurrected Community Forest Now** a Shining Example of Sustainability

About 60 kilometres east of Ottawa sits a forest resurrected.

In the early 1900s, a canopy of hemlock and white pines was cleared to plant crops – an ill-quided plan, as the sandy soils proved unsuitable for agriculture. So sat a desert of abandoned farms near Bourget, Ontario until a local agronomist started planting conifers on the land in the late 1920s.

Since then, thanks to collaborative efforts, the landscape has regrown and, with 18 million trees planted, it has transformed into a thriving, biodiverse woodland. It is now called Larose Forest, one of the largest community forests in southern Ontario – a sanctuary for wildlife and an important place for people to connect with nature amidst Canada's most populous region.

A small team at the United Counties of Prescott and Russell (UCPR) planning and forestry department leads the responsible management of Larose - efforts that have earned FSC certification for nearly 20 years.

"FSC's standard provided us with a strong framework to build our forest management plan and to guide the strategies we implemented in the forest," says UCPR forester Steven Hunter. "With

certification. we've also accessed experts with diverse backgrounds who help us continuously improve our efforts to preserve essential habitat."

One of Larose's most well-loved and emblematic species is the moose: an elusive yet charismatic mammal, one of the largest of any Canadian forest. Here in Larose, the animals – who have significant cultural value for the local Mohawk and Algonguin Peoples make up one of Canada's southernmost moose populations.

At the centre of Larose is a large wetland that is key to moose habitat. In spring it provides calving sites; in summer it provides open water to drink and keep cool; in fall it is host to breeding or the rut; in winter it provides a critical food source.

"We shield this area from forest management activities and recreation," explains Steven. "Elsewhere we've maintained or enhanced critical habitat features, such as buffering wetlands that provide aquatic plants that moose eat and restricting when we harvest to reduce our impact during critical times of the year, such as breeding."

Such strategies also benefit other species that, among others, include the white-tailed deer, ruffed grouse, cottontail rabbit, whip-poor-will, pileated woodpecker and pine imperial silk moth, a species considered vulnerable in Ontario.

Steven says the forest is managed in such a way that creates diverse landscapes at various stages of development to provide a wide variety of habitats. "This includes protecting and enhancing critical habitat features like nests, cavities in trees, winter shelter and important food sources," he says.

Nearly 2,400 species of flora, fauna, lichen and fungi, 30 of which are endangered or at risk, now thrive in Larose. Here, rare wildflowers mingle with towering eastern white pine, yellow-spotted salamanders with western chorus frogs and forest-nesting birds like wood thrush with mammals like otters – and, of course, moose.

The team also performs inventories to evaluate wildlife habitat and determine the presence of species at risk. What were formerly two to three day "bio blitzes" are now ongoing efforts through the iNaturalist app where citizen scientists can confirm species and geo-target their locations.



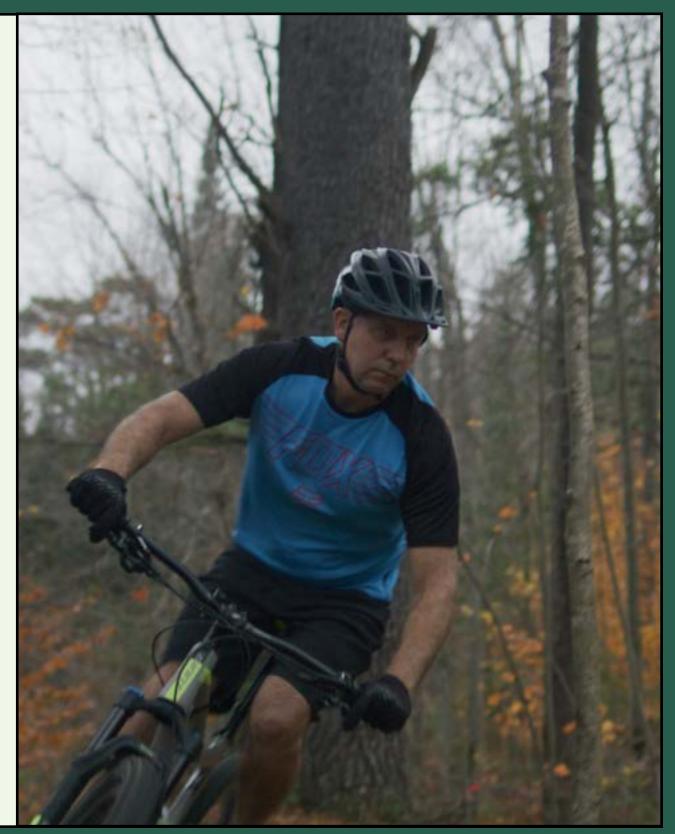
Citizen scientists have, in fact, identified more than 800 species of insects, which are Larose's broadest, most diverse and most important species, as they feed birds, pollinate plants and break down organic matter. The UCPR has worked with groups such as the Ottawa Field Naturalists Club to develop specific plans to significantly enhance insect habitat.

"Our relationships with a wide array of forest users are also a great way for us to meet many FSC certification principles, including the protection of rare and endangered species," says Steve.

Meanwhile, Larose Forest – which sits like a green island amidst development and farmlands – is a popular spot for skiing, mountain biking, hiking and other activities, welcoming almost 50,000 recreational users each year. About 15 years ago, the UCPR assembled a team to study the best locations for trails that would limit any ill effects on the ecosystem. Today, more than 200 kms of well-kept roads and trails safely criss-cross the forest.

Steven says residents understand that their FSC-certified forest is being well-managed on their behalf – a "stamp of approval" so to speak. These efforts take on heightened importance for community forests that must persist despite growth in these heavily developed regions.

Such is the case at Larose, rebuilt from the understory up by the passion and dedication of those who live, work and play nearby.



BUILDING INDIGENOUS CAPACITY SUPPORT IN CANADA

FSC Canada and the FSC Indigenous Foundation are pleased to welcome Satnam Manhas as our new Senior Manager, Indigenous Capacity Support Canada.

Raised in the Tsimshian territories along the lower Skeena River in British Columbia, Satnam brings over 30 years of experience as a Registered Professional Forester (RPF) in B.C., with a strong focus on culturally appropriate economic development and stewardship for Indigenous communities nationwide.

Satnam previously worked at Ecotrust Canada where he served as the Director of Forest & Ecosystem Services. There, he oversaw the organization's FSC initiatives in western Canada and spearheaded a groundbreaking carbon project in partnership with the Lil'wat, Squamish Nations, and the Resort Municipality of Whistler.

In this new role, Satnam will play a crucial part in demonstrating the invaluable benefits of FSC certification to Indigenous Peoples and provide essential support to key First Nation certificate holders and other organizations interested in pursuing FSC certification in Western Canada. He will also work with FSC Canada's Indigenous Chamber to strengthen Indigenous-led efforts within FSC.

Satnam has assumed this role on an interim basis as the Indigenous Foundation conducts a search for a long-term candidate. In the meantime, Satnam's wealth of experience and dedication to Indigenous empowerment will undoubtedly play a pivotal role in advancing our shared mission of responsible forest management and sustainable practices in Canada.





CLIMATE AND CONSERVATION



CLIMATE AND ECOSYSTEM SERVICES UPDATE

In 2023, FSC Canada made significant progress in advancing our commitment to sustainable forest management and climate action through various initiatives focused on ecosystem services.

Collaborating closely with FSC US, we developed a comprehensive work plan to strategically address naturebased solutions for climate change.

Engaging discussions with certificate holders and project developers highlighted growing interest in ecosystem services. We also initiated talks with FSC International Center to explore testing cultural service claims identified in the draft ecosystem service procedure.

Additionally, we held meaningful dialogues with certificate holders and project developers who expressed interest in ecosystem services.

Looking ahead, FSC Canada is diligently building the Climate and Landscape Solutions Program, with training sessions for certificate holders set to commence in 2024.

Verified Impact: The Future of Ecosystem Services

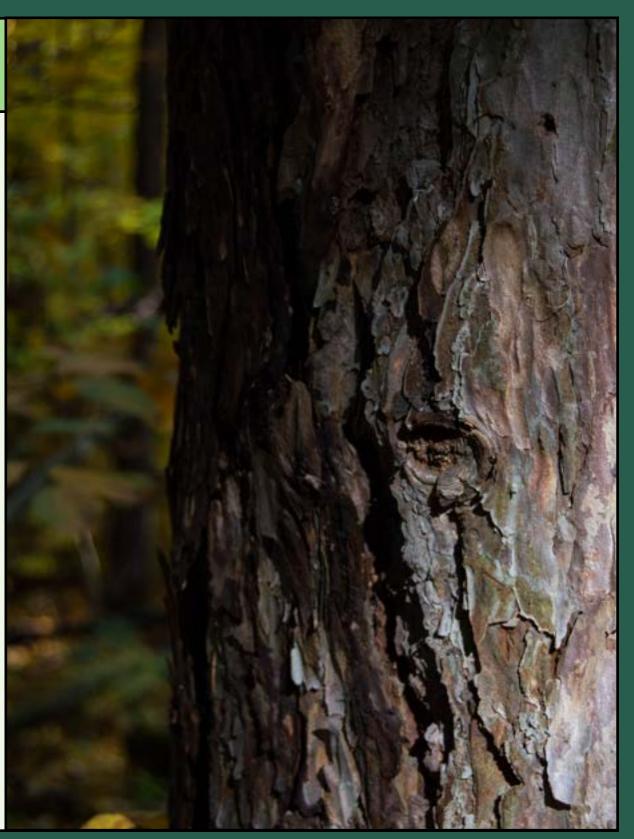
Companies that directly or indirectly contribute to unsustainable forestry practices are facing increasing scrutiny, with greenwashing practices being exposed. The private sector is under mounting regulatory pressure to disclose their environmental impacts, while consumers and investors demand comprehensive strategies to address carbon footprints.

The reality is, the undervalued ecosystem services that forests provide - including fresh air and water, carbon storage, biodiversity protection, tourism and more - hold the key to our sustainable future. It's also why savvy companies support responsible forestry.

But there's a catch – these business need accurate data to backup their actions. To address this need, FSC worked on a transparent solution to help businesses unlock high-quality, verified, data-driven claims around responsible forestry projects. Specifically, FSC provides highintegrity data for five types of ecosystem services: carbon sequestration, biodiversity conservation, watershed services, soil conservation, and recreational services.

Historically known as Ecosystem Services and but now renamed "Verified Impact", the solution we aims to match businesses to ecosystem-services projects in FSC-certified forests.

To learn more click <u>here</u>.





COMMUNITY FORESTS DELIVER ON CONSERVATION

Quinte Conservation Contributes 10,357 Hectares to Canada's Protected Areas Target

Quinte Conservation Authority (QCA) proudly announced its contribution of 10,357 hectares of conservation areas and reserves towards Canada's international commitment to protect 30 percent of lands and waters by 2030.

Commonly known as the 30x30 target, it was adopted by nations around the world as part of the Global Biodiversity Framework at the United Nations Biodiversity Conference (COP 15). The target aims to protect biodiversity, mitigate impacts of climate change and ensure the sustainability of ecosystems.

Based on an assessment completed in partnership by Ontario Nature and QCA, it was determined that 66 properties met the rigorous pan-Canadian standards, warranting their designation as protected areas in the national database that is monitored and maintained by Environment and Climate Change Canada. Stewarded by QCA, these lands prioritize watershed health and the protection of the area's natural ecology. Commercial forestry is not permitted.

QCA's sustainable management practices are further reflected through FSC certification for Community Forests.

QCA's FSC certification, obtained through the Eastern Ontario Model Forest, signifies its commitment to environmentally appropriate, socially beneficial and economically viable management practices. This includes adhering to FSC principles such as maintaining biodiversity, protecting endangered species, and respecting the rights of Indigenous peoples and local communities. The natural areas included in the submission encompass a range of Provincially Significant Wetlands and Areas of Natural and Scientific Interest, serving as a vital sanctuary for many species. Among the diverse habitats found within these protected lands, critical ecosystems support numerous species at risk, including Louisiana waterthrush, goldenwinged warbler, five-lined skink, and yellow-banded bumble bee.



"Nature is our greatest ally in the fight against climate change. That's why the Government of Canada launched the largest conservation campaign in Canada's history in 2018, a campaign that continues to this day. As we celebrate International Day of Forests, I want to congratulate Quinte Conservation and its partners for conserving their lands and forests in the **Quinte Region Watershed. By creating and recognizing more Protected** Areas and Other Effective area-based Conservation Measures (OECMs), we are expanding Canada's conservation network-and when we work across all sectors, there's no end to the possibilities for advancing conservation in Canada.

Together, we are making progress toward Canada's important conservation goals in our effort to halt and reverse the alarming, global decline of biodiversity."

– The Honourable Steven Guilbeault, Minister of Environment and Climate Change

QUIETING WILDFIRES REQUIRES RESPONSIBLE FOREST STEWARDSHIP SOLUTIONS

The summer of 2023 was the worst wildfire season in Canadian history. Simultaneous fires across many provinces caused nearly <u>12.2 million hectares</u> of forests to burn, forced over 155,000 people to evacuate their homes, and released dangerous smoke across tens of thousands of kilometres.

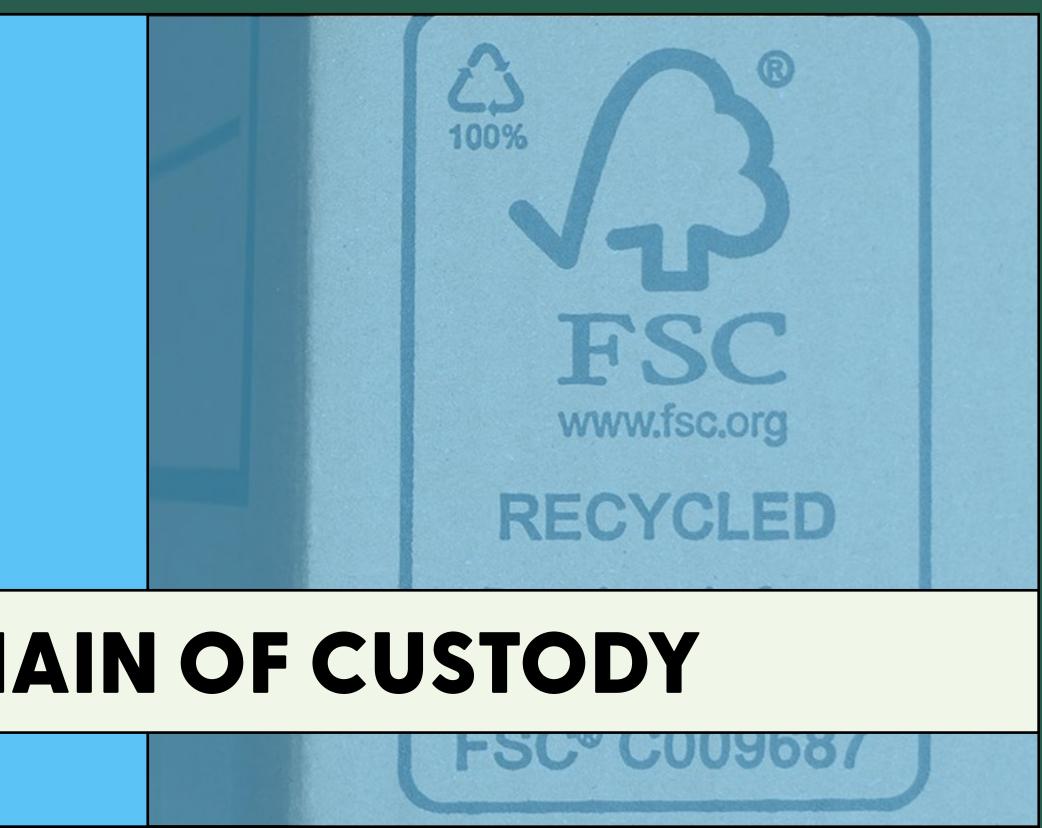
While forest fires are a natural, annual disturbance in Canada, 2023 saw a dramatic escalation in intensity, frequency and area. It made international headlines and prompted a global response – for good reason, because what happened was a literal smoke signal, impossible to ignore.

Despite a growing awareness of the cumulative impacts of climate change and human activities on forests, current government policies are insufficient. While forestry laws in Canada have been historically considered some of the best in the world, they must now evolve in step with an evolving environmental crisis. At FSC, we've spent years developing standards underpinned by principles that can be locally adapted and therefore used anywhere. The challenge is that, up to now, forests that meet our certification thresholds have been considered a "niceto-have". Yet to succeed in the face of the climate crisis – and to quiet the threat of massive wildfires – these extra measures to care for our forests have to become "must-have" solutions to chart the way forward.

To learn more visit this link.



CHAIN OF CUSTODY



FSC CANADA LOOKS TO REVISE ELIGIBILITY CRITERIA FOR CHAIN OF CUSTODY GROUP CERTIFICATION

To provide small to medium size enterprises easier access to certification, FSC Canada started the process of revising the current eligibility criteria.

FSC's group certification was developed to help smaller enterprises achieve FSC certification by joining together to become certified under one certificate and as a result reducing the costs and administrative requirements of certification.

1. FSC's current Standard for Chain of Custody of Multiple Sites considers small enterprises eligible to be included in a group certificate if they have under 15 full-time staff or under 25 staff and a turnover of US \$1,000,000.

However, there are large variations in economic development between countries that FSC operates in and so FSC allows for the criteria to be revised and adapted to fit local realities.

Proposed changes include:

- **1.** Increasing the total annual forest products turnover to \$5 million CAD.
- 2. Updating the "OR" statement that would allow businesses with less than 25 employees to be included in the group eligibility criteria.

3. The \$5 million in turnover should also be tied to adjustments by FSC to the AAF for COC certificate holders, i.e., when the AAF goes up by a certain percentage, the maximum turnover criterion would be increased by the same percentage.

We hosted a public consultation in fall 2023 and submitted a final proposal to FSC International in December.





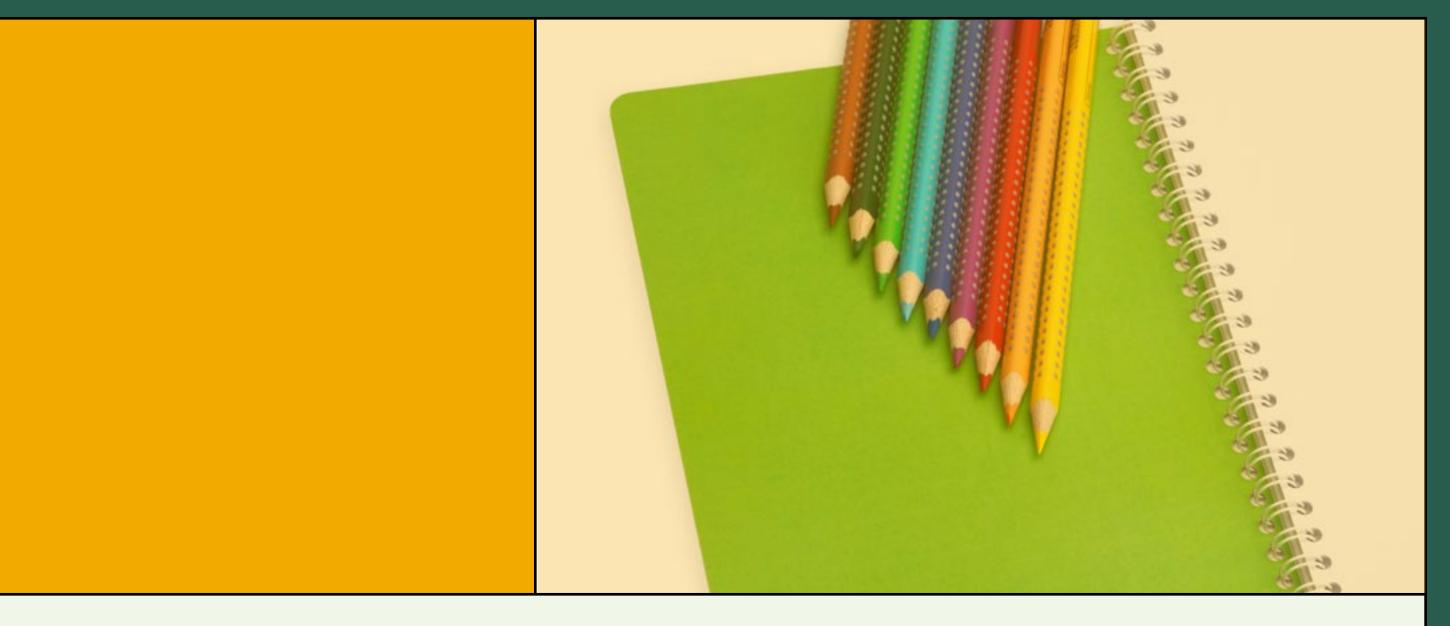
FSC HOSTS WEBINAR WITH SUSTAINABLE MAIL GROUP ON UNLOCKING SUCCESS FOR SMALL PRINTERS WITH FSC CERTIFICATION

In February 2024, FSC Canada hosted a webinar with the Sustainable Mail Group tailored for small printers, aimed at enhancing their sustainability efforts and market competitiveness through FSC certification. The webinar was part of our ongoing commitment to supporting businesses in adopting responsible forest management practices.

Through this webinar, we aimed to highlight the advantages of FSC certification for small printers, providing practical guidance on the certification process and showcasing success stories from industry peers.



EXPANDING THE BRAND & MARKET



NEW FRONTIERS: FASHION AND TEXTILES

Forest-based fibers are on the rise. That is good news, but It is difficult to determine the exact proportion of forest-based fibres that are sourced responsibly in the fashion industry.

Man-made cellulosic fibres (MMCFs) are a sustainable textile alternative to fossil-fuel based fibres like polyester and nylon. They are also the fastest growing share of global fibre production. Less than 60% come from independently verified certified sources, according to the Textile Exchange.

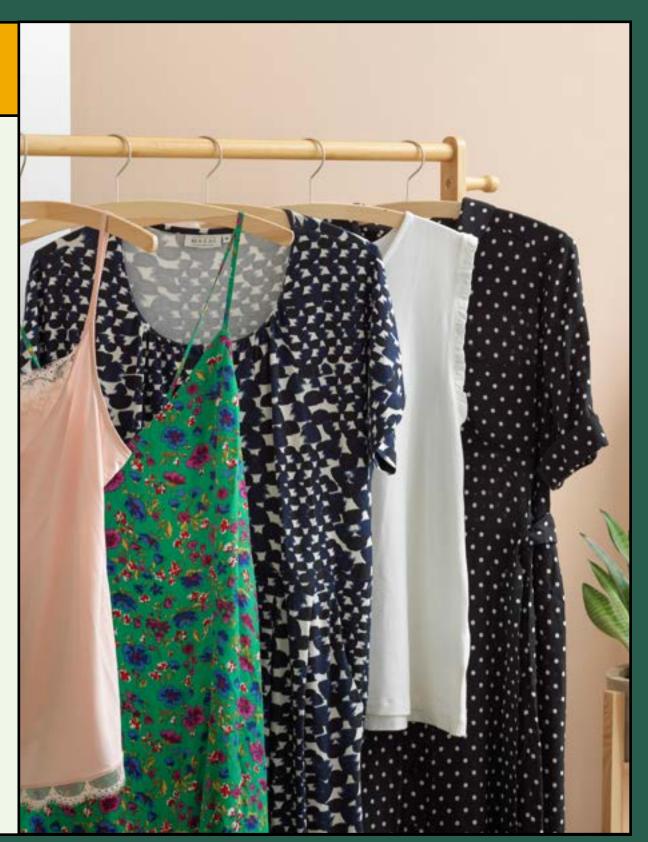
The only way to shift the fashion industry to an ethical, regenerative, and transparent lowcarbon future, is to ensure the forest-based fibres being used are sourced responsibly from sustainably managed forests. The ultimate goal is to couple this, with the circular use of fibres to create a truly responsibly and lasting transition.

Through active participation alongside global network partners, FSC Canada has embarked on an exciting journey into the world of fashion and textiles. One notable highlight was FSC Canada's attendance at the Fashion Takes Action 'WEAR conference' in Toronto in September, where leaders from the fashion and textiles industry converged to discuss sustainability and innovation.

In addition to our engagement with industry events, we proactively initiated conversations with fashion brands across the country to encourage the adoption of FSC-specific procurement policies and to explore opportunities for integrating FSC-certified materials into their supply chains, particularly in the realm of manmade cellulosic fibers.

As we navigate this new frontier, FSC Canada remains committed to promoting sustainable forestry practices and driving positive change within this industry.

For more information please visit www.fashionforevergreen.org



FOREST FIRST CAMPAIGN

To help educate the public on the value of forests and inspire them to choose sustainably sourced produced certified by FSC, FSC International has launched the Forests First campaign in Canada and the U.S.

For the world's most rigorous, trusted and recognized forest certification system, we knew we needed to go big – for brands, for general citizens, for FSC, and for forests. To do this we created a callto-action campaign that educates and motivates consumers to look for products with the FSC logo on it.

Forests First is a public activation platform to motivate the public to protect forests by choosing FSC-certified products. The platform is laser-focused on the message: **Choose FSC-certified products and help protect forests.**

In 2023, the campaign garnered over 5 million online impressions.



FSC NORTH AMERICAN LEADERSHIP AWARDS

In 2023, FSC announced the winners of its yearly North American Leadership Awards, recognizing uncommon excellence that advances responsible forest management and forest conservation.

The FSC Leadership Awards celebrate forest owners, builders, architects, retailers, paper mills, manufacturers, environmental organizations and many others who contribute to the movement toward responsible sourcing and forest management.

Canadian winners include:

- Fédération des Groupements Forestiers du Bas-Saint-Laurent, the largest FSCcertified group in Quebec with 4,500+ members and 556,000 acres for over 10 years
- Samsung Canada, for partnering with FSC Canada in a fundraising campaign promoting the health and protection of Canadian forests in honor of Earth Month 2023.
- Hines, WZMH Architects, 3XN, MKA, and Eastern Construction for 100% FSC-certified mass timber in T3 Bayside Phase 1 along Toronto's waterfront, a 262,000 square foot, 10-storey mass timber office building.

Wahkohtowin Development GP Inc. for partnering with FSC Canada and Green First at the intersecting areas of land stewardship, sustainability, respecting & upholding indigenous rights, climate change mitigation and cultural revitalization.

We congratulate these leaders. For a full list of winners click here.











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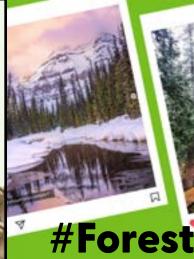
FSC ON SOCIAL MEDIA

In 2023, we successfully grew and fostered engagement with our audience across all platforms.

#MassTimberMonday

To support FSC-certified solid wood we created #MassTimberMonday featuring updates from the world of architecture and design and specifically highlighting projects that feature FSC-certified cross laminated timber.





Each Friday we curated and posted beautiful forest photography from across Canada, and around the world, further knitting together the forest loving community.

Follower growth + 200% + 300% + 200% steadv

Total Followers: 16,000+

With targeted social media advertising we generated over

6 million impressions

on Instagram, Facebook and YouTube.

Influencer Partnerships



#ForestLovingFriday

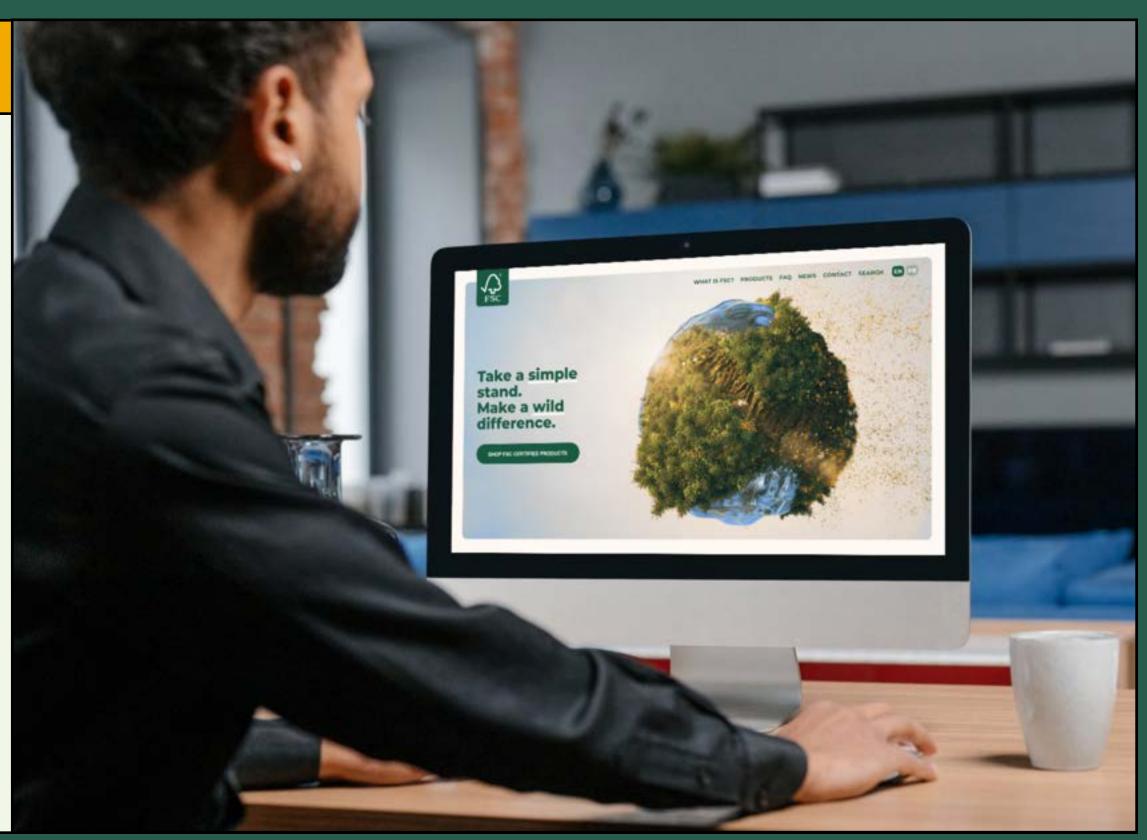


SHOPFSC.CA

ShopFSC Every Canadian can drive positive change in our forests simply through the consumer choices they make.

To help connect Canadians to FSC-certified products in 2021 we created Shopfsc.ca, an online directory featuring hundreds of FSC-certified products from brands like Patagonia, lululemon, Allbirds, Cascades, Hunter Boots, West Elm, Pottery Barn, the Future is Bamboo, Caboo and many more.

In 2023, to drive awareness and highlight FSC-certified products and brands, we began creating SEO-rich monthly blog posts. These posts were shared through our FSC Canada and ShopFSC newsletters and amplified further using social media.



FROM CONCERN TO ACTION: NEW RESEARCH REVEALS CONSUMERS PRIORITIZE FORESTS IN SUSTAINABLE SHOPPING

In July 2023, FSC International collaborated with IPSOS to conduct a groundbreaking global study examining consumer attitudes towards forests and sustainability. The study surveyed 26,800 consumers across 33 countries, shedding light on key concerns, trust in various actors, and consumer actions aimed at addressing forest-related issues.

Key Concerns: Biodiversity, Climate, and Deforestation

Ongoing global economic instability and conflict appear to have shifted consumer priorities. While climate change ranked second after health during the pandemic, top concerns for consumers are now economic hardships, and wars, conflicts and terrorism. Yet issues relating to the environment haven't fallen off the radar. Climate change, biodiversity loss, and deforestation remain key forestry issues of concern around the world.

Consumers are addressing forest issues with their wallets

One of the ways in which consumers are addressing their forest concerns is through their purchasing decisions. Nearly three quarters (71%) claim they would rather choose products that do not damage plants and animals while nearly two thirds

(63%) try to buy products packaged with renewable materials. Almost as many (59%) prefer to choose products that do not contribute to the climate crisis.

Consumers place more trust in independent certification than businesses and governments

When it comes to protecting forests, consumers currently put the highest trust in independent and credible certification systems and environmental NGOs. Most consumers have high or moderate confidence in certification labels to ensure that forests are protected. But they feel strongly that sustainability certifications must also be verified. Almost two thirds of consumers (64%) expect sustainability information to be certified by an independent organization. China (86%) and Kenya (78%) have the highest demand among consumers globally for independent certification of forest-based products.

Consumers are choosing FSC with confidence

Over three quarters of consumers (77%) show moderate to high levels of confidence in FSC to protect forests, which is considerably higher than in governments or businesses[1]. This trust translates into action as 3 out of 5 consumers (62%) who recognize FSC claim that they will choose an FSCcertified product instead of an equivalent non-certified product. And even though economic hardship is the top global concern, almost half of consumers (49%) who recognize FSC, claim to be willing to pay more for a product if it is FSCcertified.

This trust extends to brands who choose FSC. 80% of consumers who recognize FSC say they are more likely to trust a brand if it offered FSC-certified products.

To learn more click <u>here.</u>



SAMSUNG CANADA AND FSC CANADA PARTNER FOR EARTH MONTH

Samsung Canada and FSC Canada teamed up in April 2023 for an Earth Month promotion. Samsung donated \$1 to FSC Canada for every purchase made in-store and online at Samsung.com.

In addition, through June 2023, for each review that Canadians left on Samsung's website, Samsung donated an additional \$10 to FSC Canada.

The partnership was covered by MSNs Mobile Syrup, the Financial Post, IT World Canada, Paper & Pulp Canada, and the <u>Canada News Media</u>.

SAMSUNG



Samsung Canada is proud to partner with the Forest Stewardship Council® Canada







FORMULA 1 TIRES TO BE FULLY FSC CERTIFIED

Global tire manufacturer Pirelli announced that it will only use FSC-certified tires in all Fédération Internationale de l'Automobile (FIA) Formula One® World Championship races starting from 2024. Pirelli has been Formula One's exclusive tire partner since 2011; a partnership that has been recently extended to 2027 with a special focus on making Formula One more sustainable.

FSC-certified tires were introduced for the first time in 2021 when Pirelli made a breakthrough by producing the world's first Pirelli P ZERO tire that uses FSC-certified natural rubber. Since then, Pirelli's FSC-certified tire has helped accelerate growth of sustainable natural rubber certification worldwide. FSC has seen the number of certified plantations increase in countries including Thailand, Indonesia, Sri Lanka and Guatemala. Additionally, there is an increased rate of adoption of FSC rubber certification in countries like Vietnam, China

and Colombia. More rubber plantations in Asia and Africa are expected to join FSC's sustainable natural rubber movement in 2024, including Malaysia and Ivory Coast.

Tire manufacturers purchase over 70 per cent of the world's natural rubber, making them a crucial part of sustainable natural rubber production. While this provides income for thousands of people, sourcing uncertified rubber can have harmful impacts on forests, ecosystems and communities, and can lead to deforestation and workers' rights violations.

FSC certification is a proven tool for solving these challenges.

To learn more about FSC's work in natural rubber, <u>please visit</u> <u>this page</u>. "We celebrate this move towards FSC certification which sets a powerful precedent for sustainable practices in motorsport, demonstrating that high performance and environmental responsibility can seamlessly coexist,"

– Fabian Farkas, Chief Commercial Officer, FSC International



FSC AND EUROPEAN UNION DEFORESTATION-FREE REGULATION

The European Union Deforestation-free Regulation (EUDR) is a new EU initiative to limit deforestation and degradation caused by forestry and agricultural activities all over the world.

While the EUDR is a European legislation, its implications are global. Companies placing or exporting the affected products in or from the EU market will have to conduct due diligence to confirm that the products have not been sourced from land which was deforested or degraded after 31 December 2020. Companies will also have to verify that these products are compliant with relevant legislation of the country of production, including respect for human rights, and the rights of affected Indigenous Peoples.

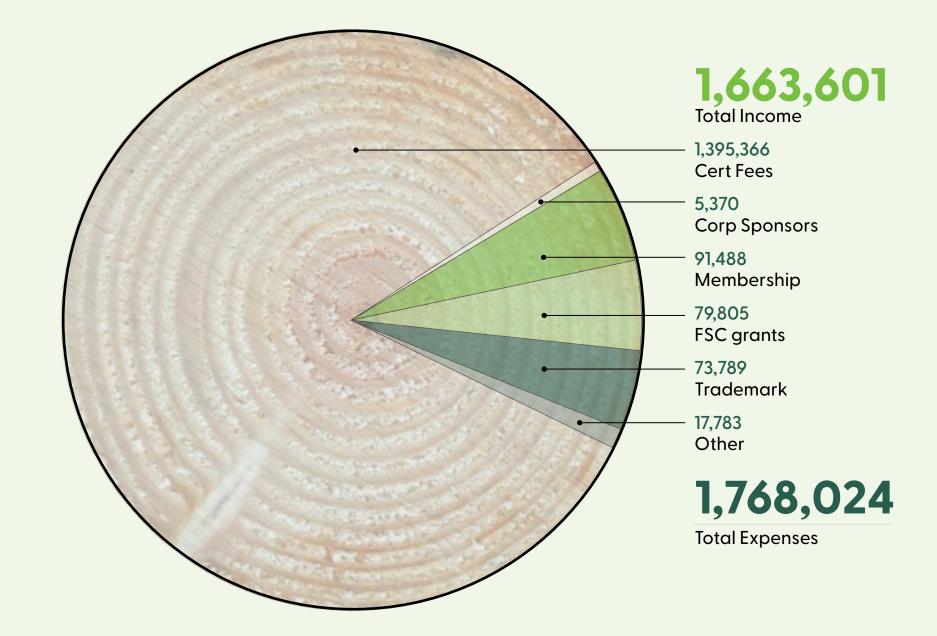
FSC continues to strengthen its system so companies throughout the supply chain can meet all aspects of EUDR and other relevant forestry legislation in Europe and across the world. FSC is leading systemic change and developing <u>new technologies</u> to help companies meet EUDR requirements.

From June 2024, the FSC EUDR Toolbox will provide a set of integrated tools that companies at any point in the value chain can use to meet EUDR legality, sustainability, and due diligence obligations. Targeted support will help companies adopt these tools ahead of December 2024 enforcement.

To learn more click <u>here</u>.



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