

CHAIN OF CUSTODY CERTIFICATION

Provincial risk analysis project to meet the requirements of the FSC Controlled Wood Standard

This is to inform you that the Quebec Wood Export Bureau (QWEB) and the Quebec Forest Industry Council (QFIC) have agreed to conduct a provincial risk analysis for all wood or fibre supplies from public and private forests.

In Quebec, there are currently some 300 primary, secondary or tertiary wood processing plants holding an FSC chain of custody certificate. These are mainly regular or associate members of the QFIC, their customers or the pellet producers of QWEB.

Chain of Custody certification is a voluntary process in which forestry companies want to demonstrate the sustainability and responsibility of their wood supply. Since a portion of a mill's fiber supply may come from non-FSC-certified territories, the Controlled Wood Standard ensures that 100% of the virgin fiber blended with FSC-certified or recycled fiber comes from verified and approved sources. Thus, the FSC standard aims to demonstrate that the wood used in manufactured products does **not** come from forests:

1. illegally harvested;
2. harvested in violation of traditional or civil rights;
3. in which conservation values are threatened;
4. converted to plantations or non-forest land use;
5. where genetically modified trees are planted.

Until now, this demonstration was relatively simple for Quebec companies to do, given the legal and regulatory framework for public and private forests. However, the requirements for controlled wood have evolved significantly in recent months and the requirements for risk analysis of uncontrolled wood or controversial sources have been tightened. Other certification programs such as the Sustainable Biomass Program (SBP) for wood pellet production and export require the same type of risk analysis, which is why QWEB and QFIC are working together to support their members and customers.

FSC Canada is working on a pan-Canadian risk analysis that will likely not be completed until June 2018. In the meantime, companies must produce their own corporate risk analysis. Once FSC Canada's analysis is complete, each company will have six months to adopt it and replace their own risk analysis.

If the 300 FSC Controlled Wood certificate holders proceed separately, there is a good chance that the conclusions will be different from one analysis to another, due to different interpretation or sources of information. As well, atypical risk designations may result in imbalances between different certificate holders in Quebec. Inadequate designation of an unspecified risk may also result in the need for many to identify additional risk management measures that may include avoiding the use of wood from the sources in question.

For this reason, the QFIC and QWEB agreed to contract a consultant to conduct a province-wide risk analysis that will become available to all chain-of-custody certificate holders who need to monitor their non-certified supplies. To accomplish this, the QFIC formed a working group of regional industry representatives and secured the participation of the MFFP (forestry sector and regional operations sectors).

The goal is to assemble a complete and up-to-date database to conduct the required analyses over the next few weeks and throughout the summer. High conservation values (including the notion of "intact forest landscapes") and opportunities for First Nations to exercise their rights will be the focus of special efforts due to their sensitive nature. We intend to proceed with stakeholder consultations for comments from June to September through various means, including the presentation of results to the regional integrated resource and land management tables. Regional support for risk designations associated with various local forest issues will be sought from various stakeholders.

QWEB and QFIC intend to provide the results of this risk analysis and the consultation to FSC Canada to inform its own Canadian risk analysis process.

To participate or to join this initiative, or for any other questions, please contact Mr. Dave Lepage of the QFIC (dave.lepage@cifq.qc.ca - 418-657-7916 ext. 432).