SUSTAINABLE AND RESPONSIBLE WOOD PROCUREMENT IN WOOD PRODUCTS INDUSTRY

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THE FINNISH FOREST INDUSTRIES FEDERATION ACTS AS A COMMON VOICE FOR ALMOST 80 MEMBER COMPANIES IN THE FOREST INDUSTRIES

- Paper production and processing
- Pulp production
- Paperboard production
- Sawmilling
- Panelboard industry
- Furniture and Joinery Industry and other wood products industry

We do lobbying at national, EU and also global level
EXPERTS OF THE FEDERATION REPRESENT

• Labour market issues
• Sustainable forestry
• Energy issues
• Climate
• Logistics
• Environment
• Education, research and development
• Competitiveness
• EU affairs
• Trade policy
• Bioeconomy
FOREST-BASED INDUSTRY IN FINLAND

- The sector employs directly 42,000 people in Finland and abroad approx. 50,000 people
- Significant indirect effects for other sectors
  - Important customer of products and services of other industries and transportation
  - Industrial core for business services (maintenance etc.)
- The forest industry directly and indirectly employs approximately 160,000 Finns (altogether 5.5 M Finns)
- Substantial indirect effects due to the industry's heavy reliance on domestic production inputs
FOREST INDUSTRY IS IMPORTANT IN THE COUNTRYSIDE

• Forest industry is important to over 50 local communities
  – 48 pulp and paper mills
  – over 200 industrial sawmills, panel factories or other wood products companies

• Wood procurement from the whole country
FINLAND'S TOP EXPORT PRODUCTS

1. Paper and paperboard  
   7,0 bill. EUR

2. Diesel fuel  
   3,4 bill. EUR

3. Stainless steel  
   2,5 bill. EUR

4. Wood pulp  
   1,8 bill. EUR

5. Motor vehicles for personal transport  
   1,7 bill. EUR

6. Softwood sawnwood  
   1,6 bill. EUR

7. Electric generators and motors  
   1,3 bill. EUR

8. Special machinery  
   1,0 bill. EUR

9. Earth movers and excavators and other similar machinery  
   1,0 bill. EUR

10. Electricity transformers and frequency changers  
    1,0 bill. EUR
FOREST-BASED INDUSTRY IS WILLING TO STAY IN FINLAND ALSO IN THE FUTURE - INVESTMENTS ARE INCREASING

SOURCE: Statistics Finland, forecast Confederation of Finnish Industries, FFIF
SUCCESSFUL WOOD-BASED BIO-ECONOMY STARTS FROM A FOREST – FINLAND IS THE MOST HEAVILY FORESTED COUNTRY IN EUROPE

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FOREST RESOURCES HAVE TO BE MAINTAINED OR INCREASED IN A LONG TERM TO ENSURE DEVELOPMENT OF THE WOOD-BASED BIO-ECONOMY ALSO IN THE FUTURE

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Milj. m³</th>
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<tbody>
<tr>
<td>1921-24</td>
<td>1 000</td>
</tr>
<tr>
<td>36-38</td>
<td>1 500</td>
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<tr>
<td>1944</td>
<td>2 000</td>
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<td>51-53</td>
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<td>60-63</td>
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<td>64-70</td>
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<td>71-76</td>
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<td>77-84</td>
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<tr>
<td>86-94</td>
<td>1 000</td>
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<tr>
<td>96-2003</td>
<td>1 500</td>
</tr>
<tr>
<td>2009-15</td>
<td>2 000</td>
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SOURCE: Luke

Forests in Finland are dominated by only three domestic tree species
SUSTAINABLE FOREST MANAGEMENT IS BASED ON THREE MAIN ELEMENTS

ECOLOGICAL

SOCIAL

ECONOMIC
THE ROLE OF SOCIAL SUSTAINABILITY IS INCREASING: RESPONSIBLE AND FAIR EMPLOYER

- Good governance and leadership
- Working conditions
- Equality
- Salaries
- Labor agreement
- Well-being
Indigenous people

• Maintenance of their own culture
• Globally more than 370 M people in 90 countries
• The only group in the Europe is Sami people
• The States manages circa 90 % of the area
• Legislation: Forest management may not reduce reindeer herding, forest management in collaboration between the State and Sami people

Local communities

• What does it mean in the country with small forest owners and in the country with big land owners?
• Who should the forest owner hear?
ECOLOGICAL SUSTAINABILITY: QUESTIONED AS LONG AS FOREST RESOURCES ARE ECONOMICALLY USED
**EXISTING TOOL BOX:**

**REGULATORY AND STRATEGIC FRAMEWORK AND THIRD-PARTY AUDITED VOLUNTARY INSTRUMENTS TO ENSURE SUSTAINABLE FOREST MANAGEMENT**

<table>
<thead>
<tr>
<th>Finnish national forest related legislation (additional to EU regulation) and supportive guidance</th>
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<tbody>
<tr>
<td>- Forest Act</td>
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<tr>
<td>- Nature Conservation Act</td>
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<td>- Wilderness Act</td>
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<tr>
<td>- Act on the Financing of Sustainable Forestry</td>
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<td>- Land Use and Building Act</td>
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<tr>
<td>- Antiquities Act</td>
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<td>- Environmental Protection Act</td>
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<td>- The Forest Biodiversity Program METSO</td>
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<td>- Best Practice Guidelines for Forest Management and Energy Wood Harvesting</td>
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<tr>
<th>Global, Pan-European and EU forest related legislation and strategies</th>
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<tr>
<td><strong>Global</strong></td>
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<tr>
<td>- Convention on Biological Diversity (CBD) + Nagoya Protocol</td>
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<td>- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)</td>
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<tr>
<td><strong>Pan-European</strong></td>
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<tr>
<td>- Forest Europe SFM Principles and Criteria</td>
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<td><strong>European Union</strong></td>
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<tr>
<td>- Timber Regulation</td>
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<tr>
<td>- Renewable energy Directive (RED)</td>
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<td>- ILUC Directive</td>
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<td>- LULUCF (EU and global)</td>
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<tr>
<td>- Birds and Habitat Directives (e.g. Natura 2000)</td>
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<td>- Water Framework Directive</td>
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<td>- Directive on Marketing of Forest Reproductive Material</td>
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<td>- Regulation on Invasive Alien Species</td>
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<td>- Biodiversity Strategy</td>
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<tr>
<td>- Forest Strategy</td>
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<td>- CAP – Rural Development</td>
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<td>- Communication on Green Infrastructure</td>
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<th>Global and European voluntary forest-related standards (also ongoing processes)</th>
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<tr>
<td>- FSC and PEFC forest management certification</td>
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<td>- FSC and PEFC Chain of Custody certification</td>
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<td>- ISO 13065: Sustainability criteria for bioenergy</td>
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<td>- ISO 38001: CoC for wood products</td>
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<td>- CEN 383: Sustainably produced biomass for energy applications</td>
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<td>- CEN 411: Sustainability of bio-based products (several sub-processes)</td>
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<tr>
<td>- SCC 202: Sustainability requirements for the production of biomass</td>
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<tr>
<td>- NTA 8080: Sustainability Criteria for better biomass (bioenergy and bio based products)</td>
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<tr>
<td>- Sustainable Biomass Partnership (SBP)</td>
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IT IS SURE THAT ROLE OF ECOSYSTEM SERVICES OTHER THAN WOOD IS INCREASING

• New markets to forest ecosystem services
  – C storage
  – Biodiversity
  – Water sheds – water quality and flow
  – Protection of soil
  – Recreation / mental health
• New operators outside the forest sector
  – Mining sector, infrastructure building, energy sector

Possible new ways to use forests, new players and markets
EU BIODIVERSITY STRATEGY IS BASED ON MAINTENANCE OF ECOSYSTEMS AND THEIR SERVICES

Production of ecosystem services
-Wood production and other services against each services?

Green infrastructure
-Forest networks to protect ecosystem services → new protected areas

No-Net-Loss
-Sectors causing loss of biodiversity
-Possible compensation by using e.g. habitat banks
-Forest management included?

How to ensure increased and cost-efficient wood mobilization from forestry area that is probably decreasing?
Forest owners may have different attractive possibilities to earn money from their forests.
IN FINLAND CONTINUOUS WOOD FLOW FROM PRIVATE FOREST OWNERS IS ESSENTIAL

Private forest owners own more 60 % of forest land, and 67 % of the wood used by FBI

- Non-industrial private 60 %
- State 26 %
- Companies 9%
- Others 5 %

630 000 private forest owners

Close collaboration with forest owners in forest management and use of wood is essential
WE HAVE TO PARTICIPATE IN THE EU AND GLOBAL DISCUSSION ACTIVELY AND BY SEEKING SOLUTIONS TO COMBINE WOOD PRODUCTION AND OTHER ECOSYSTEM SERVICES

Sustainable management of forests ensures production of different ecosystem services at the same time over generations
AT THE SAME TIME WE ALSO HAVE TO ENSURE INCREASED GROWTH AND VITALITY OF FORESTS.
FROM SUSTAINABLE SOURCES TO RESOURCE EFFICIENT USE

Packaging

Bio-chemicals

Medicine and wellness

Buildings and interior design

Wood and other materials together

Energy and biofuels

Biopolymers and bio plastics

Pulp and paper
SUSTAINABLE WAYS TO CONSUME AND LIVE

Wellbeing and inspiring leisure time

Sustainable mobility and renewable energy

Good living

Lively city life

Global phenomena lead towards more sustainable change
WHAT WOULD WE ACTUALLY NEED?

• Stronger policy support for the bio-economy and to renewable materials in circular economy

• Instead of analyzing energy efficiency and sustainability elements during the use of final product LCAs for different production processes are needed

• A level playing field for different uses of wood

• Expanding the use of wood for various products
  – Answers to material & energy security

• Enhanced wood and forest residue mobilization
  – Our main concern is to secure continuous supply and affordable price of wood
WHAT CAN WE OFFER? WOOD-BASED VALUE CHAIN THAT CREATES WELL-BEING AND MAINTAINS THE PUZZLE OF ECOSYSTEM SERVICES

Consumers make an important decision

Sustainable forestry
Logistics
Industrial ecosystems
Sustainable solutions
Consumers

Employment, domestic and export incomes, well-being

Proactive and more effective lobbying at different levels