



Domtar: Investing in new FSC supply

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A CASE STUDY OF ONE COMPANY'S EFFORTS

to create the Four States Timberland Owners Association, showing how business can play an active role in creating the FSC® supply needed to meet business and sustainability goals.

COMPANIES AND GOVERNMENTS AROUND THE United States and the world are setting ambitious goals related to the use of products from responsibly managed forests.

From procurement policies to strategic plans, organizations are setting goals that require significant new purchases of Forest Stewardship Council certified products.

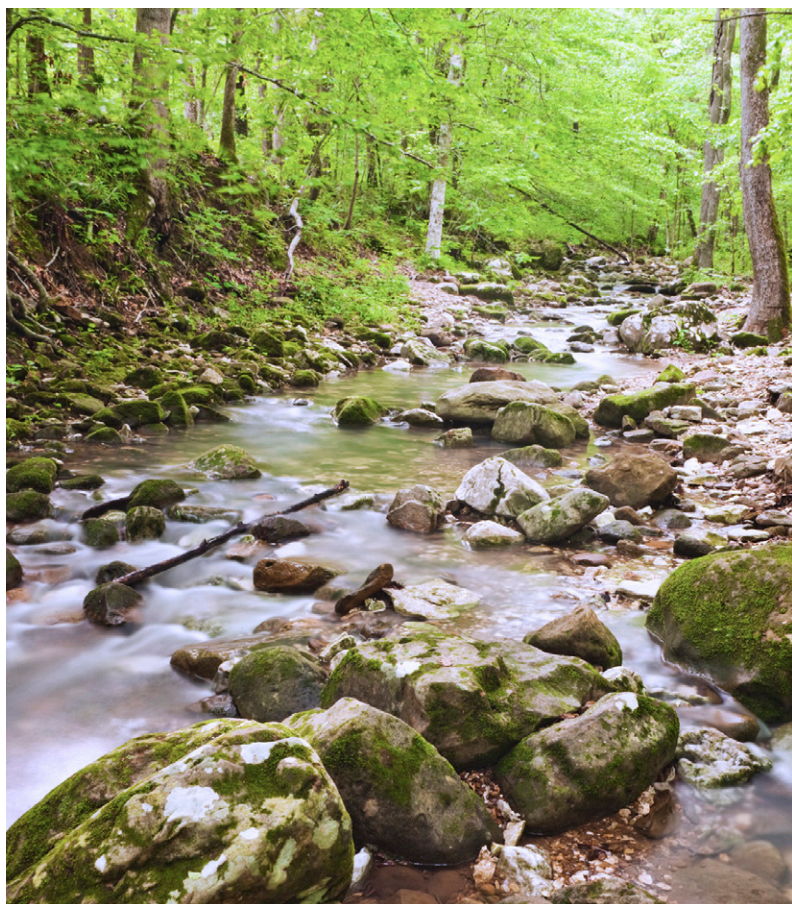
Yet once the policy development is completed, these same organizations – and others considering similar initiatives – are faced with a new reality: How do we secure the FSC-certified material we have set as our goal?

This case study describes the efforts one company – Domtar – took to secure new sources of FSC-certified fiber. Domtar’s story represents a standout example of how businesses can play an active role in creating the supply that is needed to meet sustainability goals.

BREAKING NEW GROUND

In 2000, Domtar became the first forest products company in North America to offer FSC-certified copy paper. To date, it has sold more than five million tons of FSC-certified paper, a first for the North American industry.

In fact, Domtar has a publicly stated preference for FSC-certified fiber, and contributes to numerous efforts that encourage land certification among private landowners in North America. To achieve this, Domtar partners with small landowners across the United States and Canada to demonstrate the benefits of FSC certification for their forests.





Domtar's Ashdown Mill is FSC Chain-of-Custody certified and received the Arkansas Environmental Federation Diamond Award for environmental excellence.

Photo: Pete Lacker for Domtar

CREATING THE FOUR STATES TIMBERLAND OWNERS ASSOCIATION

In 2012, two years of hard work resulted in 55 landowners earning FSC certification for more than 70,000 acres (28,000 hectares). Known as the Four States Timberland Owners Association, the effort was a collaboration between Domtar and the landowners.

Domtar's commitment was a key factor in the success of the effort. To develop supply for its Ashdown, Arkansas mill, Domtar made the following offer to landowners in the area: You commit to FSC certification and go through the audit process and in return Domtar will pay all the fees, handle the documentation and schedule annual audits from the Rainforest Alliance.

And the company made one other offer: Even if the Ashdown mill has enough inventory, Domtar will always buy FSC fiber from the landowners in the Four States Timberland Owners Association.

Today, 68 landowners are part of the Association, with 85,000 acres (34,000 hectares) of forestland certified to FSC standards. Many more landowners have expressed interest in joining the group certification, although Domtar is moving carefully to maintain an emphasis on quality.

INVESTING IN NEW SUPPLY

Digger Pond, the Forestry and Woodyard Manager at Domtar's Ashdown mill, has played a key role in driving forward the Four States Association and demonstrating its value. When Digger arrived from Canada in 2010, the effort was already well underway. Yet he knew Domtar would need to find ways to differentiate itself in a competitive marketplace.

Since Domtar does not own lands, it relies on surrounding private landowners to supply its mills. While many of the landowners have long managed their forests to high standards, there was a natural wariness among some to the FSC process. Domtar's commitment helped lessen these concerns, both from an economic perspective and by demonstrating that FSC can be a tool to validate existing approaches and to learn new ways to continually improve forest management.

Four States Timberland Owners Association is certainly a significant investment of both time and resources by Domtar, but it also represents an opportunity to differentiate the company's products in an increasingly competitive marketplace. It is also an investment in the future.



Through his dedication to the Ashdown Mill, Digger Pond has demonstrated the impact that employees can have.

Photo: Pete Lacker for Domtar



A Domtar team member meets with Bob Torrans (Left) in his family forest.

Photo: ©WWF-US/O. Rufus Lovett

STARTING WITH RELATIONSHIPS

To support development of the Four States Timberland Owners Association group certification, Domtar researched FSC standards, helped develop contract templates, conducted landowner outreach and education and provided other ongoing support.

But a key starting point for the company was the existing relationships employees had with many private landowners. Beginning with one-on-one meetings, many lasting a full day, Domtar cultivated understanding and trust in the group certification program. In each meeting, the company explained what the FSC certification would require, described the costs that Domtar would cover and identified the responsibilities that fall to the landowners. At the end of the meeting, the company representative asked the landowner if he or she was willing to move forward with the effort.

While not everyone wanted to participate at first, today 68 landowners participate in the group – and at least that many are on the waiting list. Domtar wants to make sure they are taking the time to do things the right way, with site visits and management plans included in the program. The company's efforts are very methodical to protect the quality of the investment.

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IMPACT ON THE GROUND

Jean Torrans, along with her brother Bob, his wife DeMita, and her sister Claire, own forestlands that have been in their family since the 1880s. One 20-acre tract contains shortleaf pines that are approximately 100 years old, along with a variety of mature hardwood species – a rarity in the region and as pristine a forest as is found, with enormous timber values.

But Jean never intended to harvest this particular forest, given fond memories of its rope swing and lazy summer days spent in the cool stream with her siblings. As part of the FSC certification, landowners needed to identify and set aside a sample of representative forest, and Jean had just the place. Today she sees the value in leaving the forest in a natural condition, even as she actively manages other forestlands that she owns. Quite simply, Jean wants to protect a unique place with a strong value to her family.

Across the Four States Timberland Owners Association, this type of connection to the forest is common and reflected in the way the lands are managed.



FSC certification requires landowners to set aside a certain area of their forest in its natural condition. For the Torrans family, this has helped

them reap both economic and recreational benefits from their land. Photo: ©WWF-US/O. Rufus Lovett

Domtar's Ashdown Mill is a case study for how manufacturers can introduce responsible, certified fiber into their supply chain.

Photo: Pete Lacker



“You need to be willing to put in the work and to earn landowners’ trust and respect, but it is absolutely possible to bring new FSC supply into the system.”

— Digger Pond

FORESTRY AND WOODYARD MANAGER
DOMTAR ASHDOWN MILL

PROVING IT IS POSSIBLE

Domtar helped create the Four States Timberland Owners Association to test the idea that they could increase supply of FSC-certified fiber to meet their goals.

Five years later, the group certification is a testament to the dedication shown by both the landowners and by Domtar. While some question availability of FSC-certified products, Domtar has demonstrated that with investment and effort, supply can meet demand.

“It’s entirely possible to certify small landowners in the Southeastern United States,” said Digger, adding, “you need to be willing to put in the work and to earn landowners’ trust and respect, but it is absolutely possible to bring new FSC supply into the system if you do.”

For more information, please visit the following:

FOUR STATES TIMBER LANDOWNERS

www.fourstatetimberlandowners.com

DOMTAR

www.domtar.com/files/sustainability/The_Future_of_Our_Forests_-_EarthChoice_White_Papers.pdf

WORLD WILDLIFE FUND

www.worldwildlife.org/magazine/issues/winter-2013/articles/income-property

THE GUARDIAN

www.theguardian.com/domtar-partner-zone/2014/sep/15/domtar-landowners-gold-standard-forest-certification-management