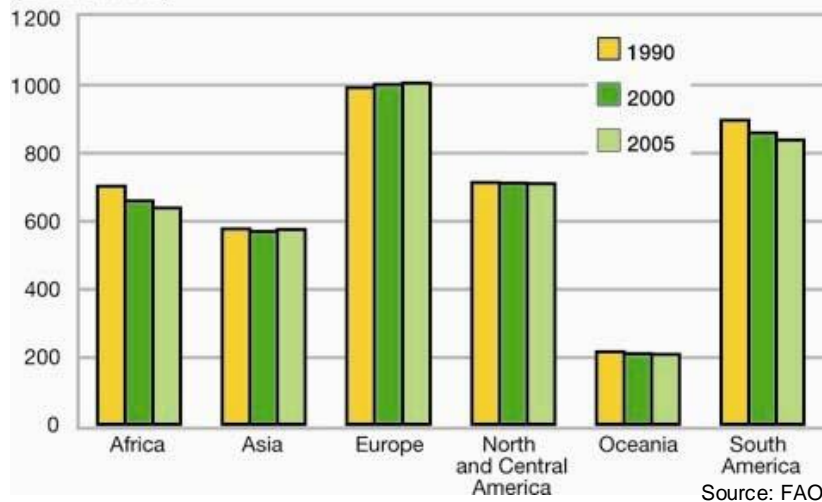




## **Contents**

- Forests and their use globally/ in Finland
- Challenges of industrial wood sourcing
- Some aspects of sustainable wood sourcing
  - Economic sustainability of forestry?
  - Multiple use of forests?
  - Biodiversity challenges
  - Renewable raw material in environmental calculations?

### Trends in forest area by region, 1990–2005 (million ha)

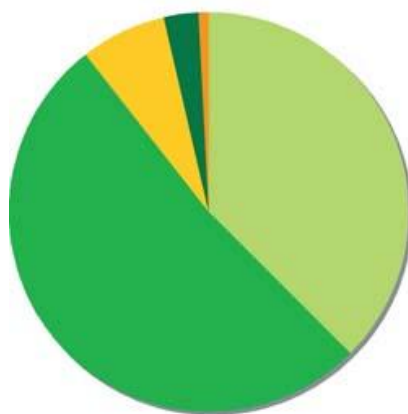


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Source: FAO 2005  
3

### Characteristics of the world's forests, 2005 (%)



Primary forests	36.4
Modified natural forests	52.7
Semi-natural forests	7.1
Productive forest plantations	3.0
Protective forest plantations	0.8

Source: FAO 2005

Finland:  
primary forests  
6 %  
semi-natural forests  
94 %

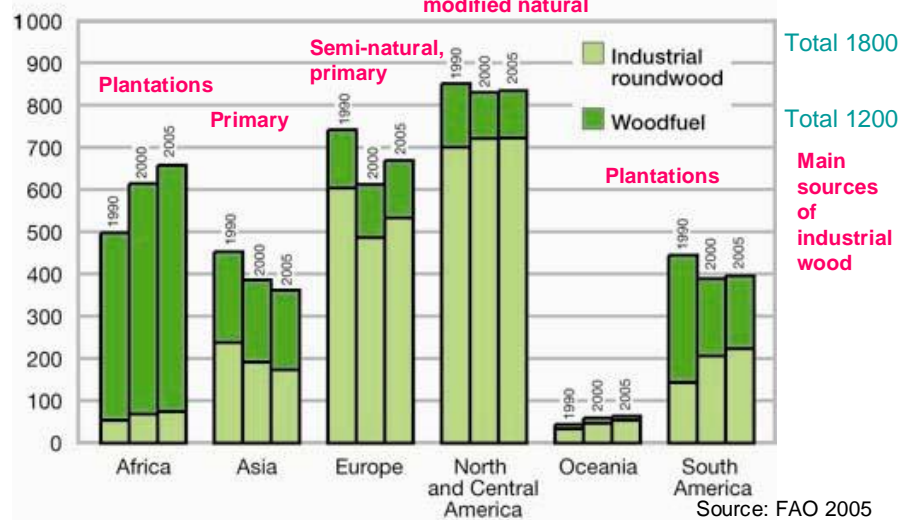
Source: [www.forest.fi](http://www.forest.fi)

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## Trends in wood removal, 1990–2005 (million m<sup>3</sup>)



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6



In Finland the scale of operations is small...

Photo: J. Temmes, Pusula, 2006

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... and commercial forests are efficiently managed throughout the growing cycle

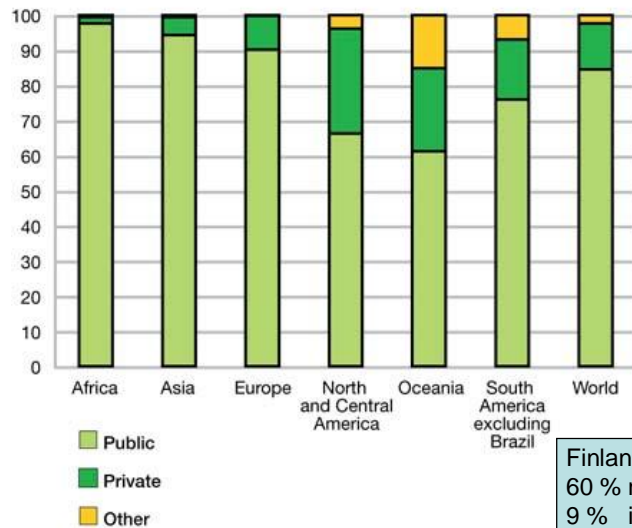
Photo: J. Temmes, Heinola, 2006

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### Ownership patterns, 2000 (%)



Source: FAO 2005

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Finland:  
60 % non-industrial private  
9 % industrial private  
26 % state  
5 % others Source: www.forest.fi

## Some challenges in wood sourcing in Finland

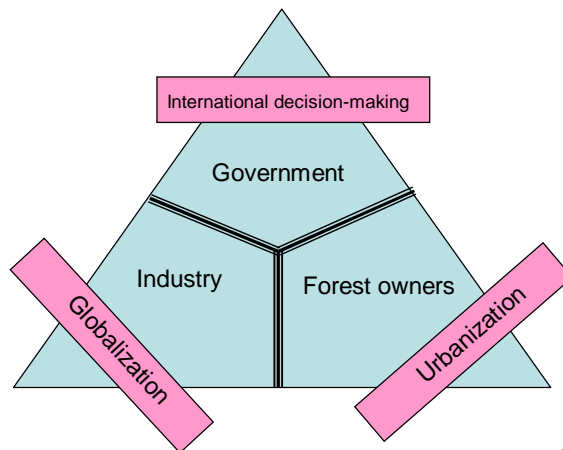
- production capacity is large -> demand for wood is high
- forest owners are less and less dependent on forestry as income -> willingness to sell wood is decreasing
- reduction of production capacity is socially very difficult
- industry is extremely sensitive to any debate or actions which could reduce wood availability

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# Finnish forest sector is changing



Source: Ismo Björn,  
Uusi metsäkirja, 2006

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## What is sustainable wood sourcing?

- Economic responsibility
  - "fair" trading practices by big buyers towards "small" sellers
- Social responsibility
  - livelihood of rural/forested areas, employment
  - recreational and other uses of forests
- Environmental responsibility
  - sustainable use of wood as natural resource
  - biodiversity

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Kuvio 361  
kuusikuitu  
II/2006

12

## Economic sustainability of forestry?

- Taken mostly as granted
- Volume of wood the usual measure of success instead of income
- Impact of capital employed mostly forgotten – or very low interest rate is used
- Public subsidies to increased production
- -> has enhanced long growing cycles and increases of forest area

Source: O. Tahvonen  
in Uusi Metsäkirja, 2006  
13

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## Reporting GRI on economic aspects of supply

- EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
- *EC9. Understanding and describing significant indirect economic impacts, including the extent of impacts.*

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14

## Multiple use of forests

- Finnish forests are in multiple use – 97 % of Finns use forest for recreation
- Increasing amount of forest owners mainly use their forest for recreation



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Photo J. Temmes Pusula, 2006

15

## Harvesting and recreational use

- Earlier manual harvesting and collection of firewood kept forests "neat"
- Now forest management methods "unpleasant" for recreational use
  - decreased willingness to sell
- Will this change with the biofuel boom?
- Are new kind of forestry services needed for small scale forest owners?
  - is there a real willingness to pay?



Photo J. Temmes Heinola, 2006

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16

## Reporting GRI on social issues

- **HR2.** Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.
- **SO1.** Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

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## Biodiversity



Photo J. Temmes Asikkala, 2007

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18

## Biodiversity in Finnish forestry

- Endangered forest habitats: decaying wood, fire areas, groves and other moist and fertile areas, old intact areas
- Measures in commercial forests introduced in 1990's
  - leftover trees for decaying wood, waterfront protection, protection of valuable habitats
- Conservation areas

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19

## Balance of measures?

- Significance of targeted measures in commercial forests questioned by many ecologists and environmental groups
- Debate on sufficient amount of conservation areas
- Conservation by public decisions or voluntary measures?
  - future of Metso-program (conservation in Southern Finland)

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20

# Reporting GRI on biodiversity

- **EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.**
- **EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.**
- ***EN13. Habitats protected or restored.***
- ***EN14. Strategies, current actions, and future plans for managing impacts on biodiversity.***
- ***EN15. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.***

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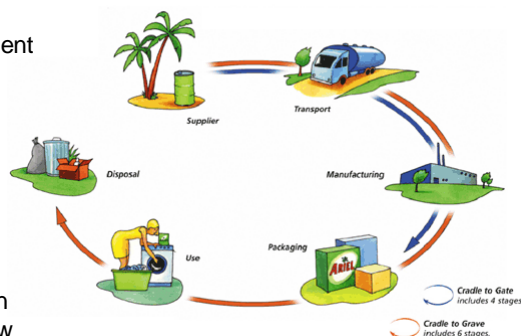
21

# Renewable resources in LCA-calculations

Extraction of raw materials is always an input – independent of whether renewable or non-renewable.

Renewable energy is always carbon-neutral.

Development of methodology for carbon footprint calculation of products may introduce new thinking.



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22

# Conclusions

- In Finland the basic tools to ensure sustainable wood sourcing are in place and OK
  - strict legislation and controls
  - advisory structures for private forest owners
  - management of wood origin
  - forest certification
- There are many development needs and an active debate on the directions
- GRI reporting framework is not easy to implement and needs often modifications to tell the relevant issues
- Renewable nature of wood raw material is not understood as a value

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23



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24