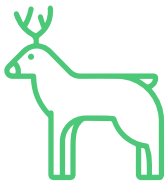
WBCSD's Forest Solutions Group's support for the United Nations Decade on Ecosystem Restoration

Forests are essential for life on Earth. They...

help stabilize the climate
Natural climate solutions have been estimated to provide up to 37% of the emissions reductions needed by 2030 to keep global temperature increases within safe limits

control water cycles
Forests are the source of some 75% of the world's accessible fresh water for domestic, industrial or agricultural use



provide habitat for a vast array of animals
Forests are home to over 80% of terrestrial biodiversity

provide livelihoods for local communities
An estimated 300 million people worldwide live in forests and 1.6 billion depend on them for their livelihoods

provide goods and services for everyday life
30% of forests worldwide are used primarily for production

As responsible stewards of over 10 million hectares of sustainable working forests, the members of WBCSD's Forest Solutions Group (FSG) are joining the rallying call of the UN Decade on Ecosystem Restoration for the protection and revival of ecosystems all around the world.

FSG members support ecosystem restoration by:

1) Scaling up the sector's contribution to an inclusive low carbon circular bioeconomy within planetary boundaries;

2) Implementing sustainable forest management practices to conserve and restore ecosystems in working forests;

3) Supporting and investing in reforestation and afforestation efforts.

1. Scaling up the sector's contribution to an inclusive low carbon circular bioeconomy within planetary boundaries

We are living in an increasingly resource-constrained world confronted with a climate emergency, the loss of nature and growing inequality. This calls for a radical shift away from fossil-based materials combined with the removal of carbon dioxide from the atmosphere, material reuse, and scaling up inclusive business models. The circular bioeconomy is an alternative low-carbon economic model based on the sustainable consumption of biological resources to produce food, feed, products and energy.

The forest sector lies at the heart of this transition to a low-carbon, circular bioeconomy due to the ability of forests and forest products to capture and store carbon. When sourced responsibly, forest products are renewable, and they can be recycled several times. They can effectively substitute and complement fossil-based materials in sectors such as packaging, construction materials, textiles, bioenergy, pharmaceuticals and even vehicle components.

It is predicted that by 2050 a growing population, as well as an increase in use of bioenergy, will triple global demand for wood. To avoid degrading or losing existing forest, the estimated 10% of global deforestation linked to wood products needs to be eliminated.

Thus, FSG members share a firm commitment to deforestation-free operations and supply chains. Society's undeniable dependence on forests for natural resources calls for the forest sector to act as responsible stewards of working forests to secure a continuous supply of renewable materials for a growing circular bioeconomy that prospers in harmony with nature.

Over the past 20 years, forest certification has become the reference to verify and communicate responsible forest management and sourcing practices. But to meet the growing demand for wood, more of the world's productive forest needs to be brought under sustainable management, and engagement with forest smallholders is an important part of this effort.

In 2020, 100% of FSG members reported engaging with forest smallholders in the development of sustainable and effective forestry practices, and in building their capacity to obtain and retain certification. This contributes to enhancing livelihoods and building resilience in forest dependent communities.

In the United States, in 2015 **Enviva** created the Enviva Forest Conservation Fund, a 10-year grant program to help protect sensitive bottomland hardwood (BLHW) forests by preserving more than 14,163 hectares of such forests in the U.S. Southeast. In addition, in 2019 Enviva partnered with the Forest Stewards Guild to empower landowners to carry out wildlife-oriented forest restoration in BLHW forests in the U.S. Southeast.

In Brazil, as part of the Atlantic Forest Restoration Pact, **International Paper** partnered with World Wildlife Fund on the *Raízes do Mogi Guaçu* project to restore 100 hectares of forests along rivers in the Mogi Guaçu watershed. Restoring the connectivity between the fragmented forests contributes to regulating soil erosion, filtering out pollutants, maintaining watershed stability, and creating corridors for wildlife to move around more freely. The fragmentation of the forest and private land ownership called for a multi-stakeholder approach centered on private landowner engagement.

2. Implementing sustainable forest management practices to conserve and restore ecosystems in working forests

FSG members own, lease or manage a total of over 10 million hectares of forestry landholdings, in which they invest in long-term biodiversity and ecosystem conservation programs. To reach the forest they do not own, they work with suppliers to uphold the same standards. While national and regional forest regulatory frameworks provide minimum standards such as the designation of an area of land to manage for conservation or restoration of natural ecosystems, many FSG members have set ambitious company-level targets going beyond these legal requirements. **In addition to the conservation measures in their productive forests, FSG members have set aside on average 22% of their land primarily for nature conservation or restoration purposes, representing an area of almost 2.4 million hectares**.

They also contribute to the conservation and restoration of about 850,000 hectares of land beyond the boundaries of their own landholdings to promote impact at scale.

Furthermore, **on average 97% of the working forests FSG members directly manage are independent third-party certified**. Forest certification provides another effective tool for protecting and enhancing critical biodiversity and ecosystems in forestry landholdings, Certification schemes operate under internationally defined biodiversity regulatory frameworks, such as the Convention on Biological Diversity, the Bonn Convention or Natura 2000.

In 2012 in Chile, **CMPC** entered an agreement with the Forest Stewardship Council (FSC) and other NGOs to recover up to 8,738 hectares of native forest areas previously converted to plantations. As part of this broader effort, one initiative alone looks to restore 458 hectares of native forest in a catchment area supplying water to a nearby city.

In the United States, **Hancock Natural Resource Group** (HNRG), through its Sensitive Lands Program, has protected over 190,000 hectares of critical habitat for sensitive or endangered species or lands with high scenic, historical, cultural or recreational values. After identifying these areas, HNRG works closely with public agencies and environmental groups to conclude conservation transactions and initiatives that will protect the lands.

2.a) Sustainable forest management practices for ecosystem conservation and restoration

Forest management practices to conserve and restore ecosystems vary depending on the type of forests that FSG members operate, from managed natural and semi-natural forests to plantation forests.

In (semi)-natural forests, typical forest management practices adopted to conserve and restore biodiversity include identifying and protecting valuable ecosystems, maintaining decaying wood, ensuring variation in the forest structure to preserve the habitats of a wide variety of forest species (for instance birds, lizards, invertebrates, lichens, mosses), and establishing woodland buffer zones bordering watercourses to maintain a suitable environment for aquatic and riparian species (such as fish, reptiles, weeds, algae).

Plantation forests currently account for about 3% of the world's forests and their higher yield contributes to meeting the growing global demand for fiber-based solutions. These forest plantations are often established on degraded land and they are designed to protect valuable ecosystems. Plantation forests form part of integrated landscapes that include areas dedicated to wood production, while setting aside valuable ecosystems for conservation and restoration of key species, including native animals and trees. In these landscapes, multiple land uses coexist, such as cattle grazing or beekeeping, and the forest manager closely monitors the quality of the habitats and ecosystems.

Sumitomo Forestry introduced a leading example of sustainable peat management on its plantations in Indonesia established on degraded peatland. Working with the Indonesian Government, the area was divided into different types of management including production, conservation and social zones. At a landscape level, groundwater levels are managed to prevent greenhouse gas emissions and wildfires, which frequently impact adjacent areas. The area has also seen the return of valuable wildlife such as orangutans.

2.b) Context-based landscape management approaches

The management of shared resources such as biodiversity or watersheds spans property boundaries and requires context-based landscape management approaches to deliver meaningful outcomes at scale. These long-term initiatives engage multiple land tenants and other stakeholders within a given landscape. Companies engaging in these initiatives contribute by sharing their know-how and resources through coordinated, multi-stakeholder action at the landscape level.

Protection of the last remaining intact forest landscapes and effective fire prevention and management are two examples where business may apply a coordinated approach at the landscape level.

The increasing frequency and severity of wildfires poses a growing threat to biodiversity, ecosystems, people and climate change mitigation efforts. In addition, for businesses in the forest products value chain, fire presents a direct risk to their forest assets; thus, they manage it with great care. Fire prevention measures such as clearing vegetation or controlled burning are an integral part of sustainable forest management practices in areas at risk. In recognizing that effective prevention and fire management extends beyond property lines, FSG members that operate in areas at risk contribute technology, resources and know-how to local and national fire departments, and participate in collaborative fire prevention and response measures.

In South Africa, in collaboration with WWF, **Mondi** has established a partnership initially focused on wetland restoration that is now working to promote a landscape-level approach to maintaining freshwater ecosystems by engaging with the main land users (such as agricultural users and small forest growers) across entire water catchments to improve water stewardship practices. The project includes a monitoring and evaluation tool to better integrate learnings and improve its outcomes.

New Forests developed a stakeholder-based landscape-scale fire management program at its rubber plantation investment in West Kalimantan, Indonesia, that seeks to manage fire risk across the region by bringing together companies, communities and governments for a coordinated fire risk assessment and management strategy.

3. Supporting and investing in reforestation and afforestation efforts

By the nature of their business, forest companies grow and plant a vast number of trees every year to regenerate forests harvested for their wood supply. **To supplement naturally regenerating forests, FSG members planted a total of approximately 250 million trees in 2020 to regrow forests harvested for their wood supply, or for restoration activities**. Through decades of practice, FSG members have accumulated deep forest restoration expertise that they can contribute to restoration efforts by others in their regions of operations.

FSG members grew a total of more than 180 million seedlings in their nurseries in 2020. Where commercially used species are not indigenous to the area, native or endangered species can be grown in nurseries. These seedlings are then used for reforestation and afforestation efforts in the region, led by FSG members or by partners such as local authorities, NGOs, landowners or local communities.

Studies show that community engagement is key to the success of restoration projects as these have most to gain from nurturing the forest over the long term. **In 2020, 100% of FSG members were engaged in long term grassroots conservation and restoration efforts in close collaboration with NGOs or local communities**.

As the world is awakening to the alarming rate of decline of biodiversity and its impacts on all aspects of life on Earth, there has never been a more urgent need to conserve critical natural ecosystems, and restore those already lost or damaged. Members of WBCSD's Forest Solutions Group recognize that critical action must be taken this decade to prevent, halt and reverse the degradation of ecosystems worldwide. **We therefore commit to acting as responsible stewards of working forests to secure a continuous supply of sustainable materials and products, while protecting and enhancing the valuable ecosystem services they provide.**

In Brazil, **Stora Enso**'s joint operation, Veracel, has restored 7,100 hectares of the Atlantic rainforest since 1994, in areas that had been converted to cattle pasture prior to the company's operations. To meet the need for some 700,000 seedlings of several native species on a yearly basis, the company buys from nurseries in the region, thereby providing an important source of income in rural areas where jobs are scarce.

In Portugal, **The Navigator Company** is contributing to the restoration of a rare native oak species (*Quercus canariensis*), classified as Critically Endangered. The project takes place in a Natura 2000 site and is done in collaboration with the Biodiversity and Genetic Resources Research Centre (CIBIO-InBIO) as well as the Porto Botanical Garden. The plants are grown in the company's own nurseries, and the seedlings planted in one of its forest management units.

Note

The KPI results are based on 2020 data from the following FSG member companies: CMPC, Enviva, Hancock Natural Resources Group, International Paper Company, Mondi Group, New Forests, Smurfit Kappa Group, Stora Enso, Sumitomo Forestry, The BTG Pactual Timberland Investment Group, The Navigator Company.

About the Forest Solutions Group

WBCSD's Forest Solutions Group (FSG) is the global platform where business in the forest products value chain build and share solutions to lead sustainable development in the forest sector. FSG's mission is to grow the circular bioeconomy and a thriving forest sector that sustains healthy productive forests & people's well-being.

About the World Business Council for Sustainable Development (WBCSD)

WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. We help make our member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD $8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within planetary boundaries, by 2050. www.wbcsd.org

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