Market Signals for Sustainable Sourcing and Green Purchasing

Transatlantic Trade in Wood for Energy
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- Time Inc.: largest global magazine publisher
  - President of TI Paperco – purchased $700M annually of magazine paper in U.S., Canada, Germany, Scotland, Finland & Sweden
  - Director of Sustainable Development – focus on forest certification, climate change, energy and recycling
- GreenPath Sustainability Consultants (2009-)
  - Develop with clients innovative environmental/economic solutions on bioenergy, ecosystem services, forestry, water, recycling, climate change and environmental communications
  - Co-author of “Forest Sustainability in the Development of Wood Bioenergy in the United States.”
Time Inc. 2002: Status of Fiber Used for Pulp and Paper Manufacturing:

- Only 25% of fiber from known sources
- US Paper Suppliers purchased fiber from:
  - Canadian Crown lands (kraft pulp)
  - US Industry owned lands
  - Small private landowners (70%)
    - Maine, Wisconsin, Minnesota, Mississippi and Eastern Canada.
  - State and County owned forests
- European Suppliers fiber sources:
  - Largely from PEFC or FSC lands
    - Group Certification for small landowners or utilizing Swedish forestry laws dating to 1903.
Set Goals and Strategy for Certified Sustainable Forestry (CSF) Initiative:

- **Goal:** Increase Certification from 25% to 80% by end of 2006 - a significant stretch goal.

- **Strategy:**
  - Build on Canadian commitment to certification
  - Encourage certification: company owned lands
  - Develop innovative tools for small landowner certification including master logger training and group certification *and* specific rules to meet Certified Sustainability Forests Initiative (CSF).
  - Work with State Governors, Economic Development and Environmental officials to promote certification.
Initial success in Maine 2003 yields results:

- Approach State Officials: Promote sustainable forestry practices and Time Inc. will buy more paper in Maine.
- Governor commits state to increase certified lands by 65%
  - Included development of master logger program for small landowners with 3rd party audit.
  - Time Inc. increases paper purchases by 35% in Maine.
- Other states and provinces note Maine’s actions:
  - Wisconsin develops innovative approach with tax incentives for group certification for small landowners.
  - Minnesota certifies over 5 million acres of state forestlands to FSC and SFI.
  - American Tree Farm agreement.
  - Eastern Canada: group certification.
- Southern States developed model master logger program.
- By 2006 69% of fiber certified
Other Forestry Activities:

- Development of Time Inc. Certified Sustainable Forestry Standards – based on size of forest holdings and 3rd party audit requirement.
- Chain of Custody Certification – Goal 100%.
- “From Russia With Transparency”
  - International effort to increase transparency
  - Health and Safety, Illegal Logging, Certification
- Utilizing wood chips in Minnesota from US Forests as a substitute for coal (2006)
- Development of industry-wide report cards with other companies: Paper Working Group.
Key Tool For Success: Time Inc. Environmental Report Card:

- Self-Evaluation of Paper Suppliers Environmental Performance in 6 Categories:
  - Forestry (33)
  - Manufacturing (14)
  - Energy/Waste (17)
  - Global Issues/Reporting (10)
  - Performance Indicators (18)
  - People (8)

- Following Self Evaluation, Time Inc. reviews all suppliers scores; adjusts and reports new scores
  - Environmental report card then included with overall supplier report card to determine purchase levels for next year.
Key Forestry Questions in Report Card:

1. Progress Towards Certified Sustainable Forests (CSF) targets - Actual results and action plan to reach future targets (18)
2. Certified Environmental Management System/ISO 14001 (2)
3. Identification of High Conservation Value Forestlands (5)
4. Develop system to ban illegally harvested wood (2)
5. Proactive position on certification of non-forest industry owned/leased lands (6)
Key learning's from Time Inc. CSF experience:

- Setting a stretch target required out-of-the-box thinking and focus.
- Pulp and Paper suppliers became partners.
- After substantial skepticism landowners are won over due to:
  - Preferred supplier programs
  - Pride in becoming certified
- Rewarding performance of leaders and encouraging laggards. Egregious performers dropped.
- Get on the ground, listen, ask questions, adjust standards when appropriate.
  - Apply standards consistently.
  - Transparent and honest partnership.
Can Time Inc. experience be useful for bioenergy?

- In a word: YES
- Buyers AND Sellers can work together to develop mutually beneficial standards to insure that sustainably forestry is being practiced.
- Understanding the perspectives of all parties is critical. Listening & communicating transparently
- Continuous improvement built into the process
- Recognition and reward for leadership
- Government, University, NGO & Foundation support
- Solutions in the past have been found – we can all work together to find common ground
“The nation behaves well when it treats the natural resources as assets, which it must turn over to the next generation increased and not impaired in value.”

Theodore Roosevelt, 1910
THANK YOU!

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