
Domtar Case Study – Green Products & Solutions Category

Walmart Canada Green Business Summit

CHALLENGE

The roots of the modern sustainability movement can be traced over many decades. In the 1960s and 1970s, environmental change was driven by government policy and regulation rather than business initiative. During this time, non-governmental organizations such as WWF, Amnesty International and Greenpeace were founded, championing conservation, environmental protection and human rights issues.

Starting in the 1980s and continuing throughout the 1990s, the sustainability agenda pushed beyond regulation. Several environmental disasters and corporate scandals prompted a range of new legislation and standards. The concepts of auditing, reporting and engagement started to enter the corporate mainstream.

Environmental groups, consumers and the media sharpened their focus on big businesses, including the forest products industry. Questions were being asked about how pulp and paper products were made – including the origin of the wood fiber used in the product and the environmental impacts of the manufacturing process.

Domtar's challenge was quite clear – the company needed to sharpen its focus on sustainability initiatives to address the increasing demand for transparency, to highlight the work currently being done, and to find additional value-creation opportunities that would exist if sustainability goals were stretched further.

STRATEGY

Domtar, at the time the largest paper producer in Canada, made the decision to participate in several important forest management initiatives that played a significant part in the company's future direction.

In 1997, the Canadian government launched the Lands for Life project to resolve land-use disputes in Northern Ontario. Domtar participated in a round-table discussion alongside other industry stakeholders and several environmental groups, including WWF. The opportunity to work side-by-side with WWF was critical to building trust between the two organizations and was the foundation of a strong collaboration that has lasted for over a decade.

In 1998, FSC (Forest Stewardship Council) Canada approached Domtar for assistance in developing a forest management standard for the Great Lakes - Saint Lawrence region of Canada and in the Northeast United States. FSC was established in 1993, and at this time was a little known entity in forest management. Domtar agreed to participate in order to learn more about this new forest management program and to help develop workable standards. Once the standards were developed, they were analyzed and tested on a parcel of Domtar land in upstate New York. Smartwood, an FSC certifying body affiliated with Rainforest Alliance, determined that the land could be easily certified. The parcel was FSC certified in 2000 – Domtar's first FSC commitment. Domtar has since served as a key stakeholder in the development of FSC in Canada, including the development of a national Boreal Standard.

Both events played a significant part in setting the sustainability direction for the company. Working alongside WWF in the Lands for Life process and with Rainforest Alliance on the company's first FSC certification laid the groundwork for Domtar's unique relationship with environmental groups in the years to come. Domtar realized that working together towards common goals with respected environmental organizations would offer long-term benefits to the company, including credibility in the marketplace, an enhanced reputation and engagement rather than opposition.

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STRATEGY (continued)

This journey to FSC certification was not without challenges. The amount of available FSC-certified fiber was limited and there was marginal demand for FSC products in the marketplace. Domtar responded by focusing on their supply chain and developing a market for certified products. The company publicly committed to achieving FSC chain-of-custody certification for all of its facilities, giving Domtar the capability to manufacture FSC-labeled paper. Buntin Reid, a Domtar distributor, was the first paper merchant to earn FSC chain-of-custody certification, providing a legitimate sales channel for FSC-certified paper. Simultaneously, Domtar reached out to prominent end users of paper to encourage environmental awareness and specification of FSC-certified products.

Domtar offered its first FSC-certified product in 2002. In 2005, the company launched a full line of FSC-certified environmentally and socially responsible papers, collectively known as Domtar EarthChoice®. This innovative product offering was introduced with the endorsement of Rainforest Alliance and public support of WWF-Canada – a unique differentiating factor for the brand.

RESULTS

The Domtar EarthChoice line of products has grown to include hundreds of SKUs for a variety of uses, including copying, printing, mailing, publishing and more. EarthChoice has proven to many companies that the paper they choose to communicate their messages does not contradict their social values. Domtar recently marked a significant milestone with the sale of its millionth ton of FSC-certified paper.

Domtar has received recognition from notable companies such as Office Depot, Staples, RBC, HSBC and REI for its ability to offer FSC-certified papers across North America and to provide education and support as they develop and communicate their sustainability objectives. Domtar has played a key role in the development of several companies' paper procurement policies.

Along the way, Domtar's support of FSC certification clearly inspired its competitors to alter their sustainability practices. Many paper and forest products producers have since achieved FSC certification for their forests and facilities - a positive trend that is making a difference in the health of the world's forests.

Domtar's early and bold commitment to FSC certification, especially at a time when it was relatively unknown and untested in the marketplace, is a significant reason that the concept of forest certification has such high visibility today. FSC is the recognized choice of forest certification by leading environmental groups worldwide. This recognition and adoption would not have been as rapid without Domtar's leadership. Along the way, we have not only improved our own business practices and brought a unique and successful product line to market, but we have demanded a higher level of commitment and transparency throughout the entire supply chain, from the forest floor to the customer's door.

ADDITIONAL RESOURCES

- 1 Choosing How To Be Green: An Examination of Domtar Inc.'s Approach to Forest Certification - Yale School of Forestry and Environmental Studies
- 2 FSC Certification Effort - www.wwf.ca/newsroom/?1205
- 3 Profiles in Sustainable Forestry: Domtar's Support for the Environment is on Paper - Rainforest Alliance
- 4 In Our Hands - Fortune Magazine Supplement
- 5 Office Depot Announces FSC-certified Domtar EarthChoice Paper Now Widely Available for First Time in the U.S. - Office Depot Press Release
- 6 Domtar - WWF Fact Sheet
- 7 Domtar - Rainforest Alliance Fact Sheet