



MARKET INFO PACK

An overview of recent trends and current status of Forest Stewardship Council® (FSC®) certification | July 2014



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Explanatory Notes

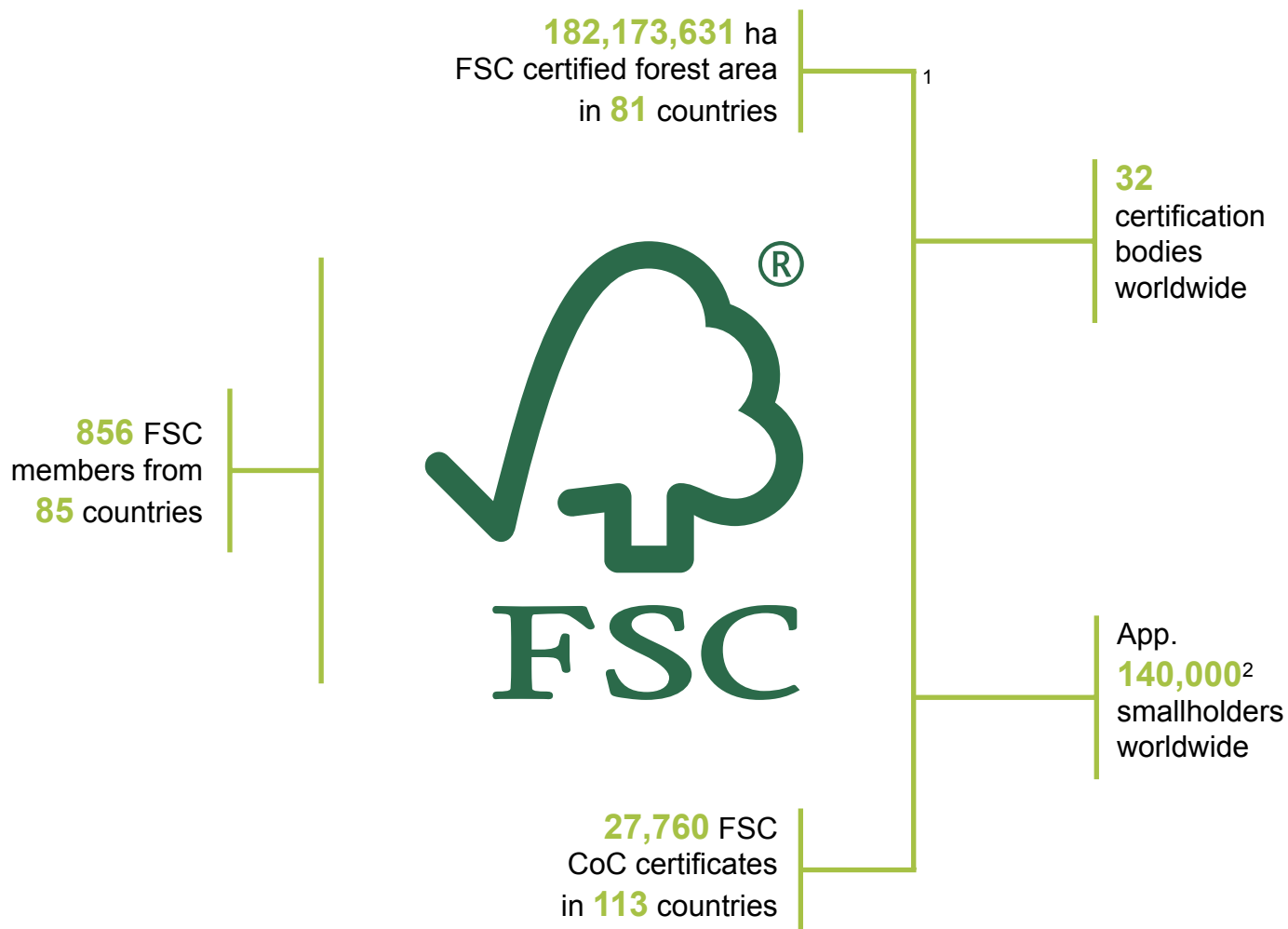
This is a living document and will be updated periodically. Published July 2014.

A comma is used as a thousands separator, for example 1,000 is one thousand.

A point is used to indicate decimals.

Details and percentages in the tables do not necessarily add to totals due to rounding.

The source of the data is indicated for each graph.



For the latest figures on FSC certificates and presence worldwide, please visit FSC International's website at <https://ic.fsc.org>

1 Source: FSC Certificate Database, May 2014.

2 Source: FSC Certificate Database [accessed on 03 September 2014].



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ABOUT FSC

Our Vision

The world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Our Mission

The Forest Stewardship Council A.C. (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC is a global, not-for-profit organization dedicated to the promotion of responsible forest management worldwide. We enable businesses and consumers to make informed choices about the forest products they buy, and create positive change by engaging the power of market dynamics.

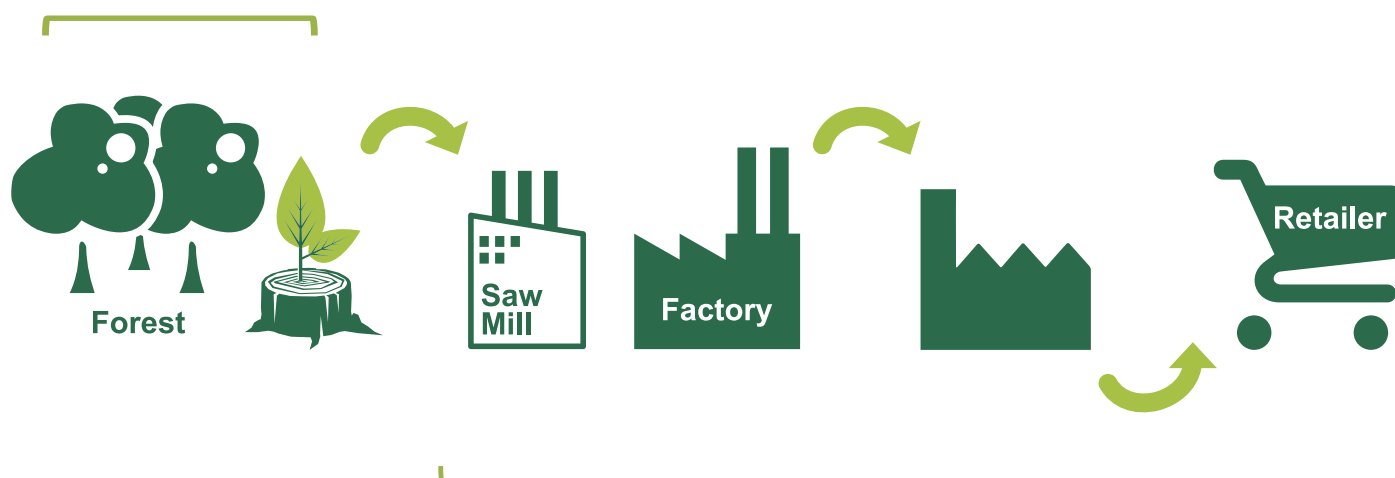
Activities

FSC, a multi-stakeholder organization, was founded in 1994 to provide an internationally recognized global certification scheme to ensure the responsible management of the world's forests. The FSC system is made up of an ongoing chain of two certifications, Forest Management and Chain of Custody.

Forest Management (FM) certification

Required for forest managers (or owners).

It sets the standards for responsible management of natural and plantation forestry. Certification verifies the forest managers' compliance with these standards.



Chain of Custody (CoC) certification

Required for companies selling FSC certified materials along the supply chain.

It tracks the FSC products from forest to shelf.

FSC's global organization

FSC is truly one global organization, with more than 27,000 certificates issued in over a 100 countries. Its representation is outlined in the following map.



48 Network Partners

FSC International	4 FSC Regional Offices	3 FSC Sub-regional Offices	31 FSC National Offices	2 FSC National Focal Points	8 FSC National Representatives
Bonn, Germany 65 staff	Africa (South Africa) Asia Pacific (HK) Latin America (Peru) Russia + CIS (Russia)	Central America Congo Basin East Africa	5 Continents	Colombia Uganda	Argentina Congo India Indonesia Ireland Latvia Mexico Ukraine
International Secretariat	Promotion of FSC at regional level Service provision to FSC clients and stakeholders at regional level	Promotion of FSC certification at national level Service provision to FSC clients and stakeholders	Promotion of FSC certification at national level Service provision to FSC clients and stakeholders	Promote and raise awareness for FSC at national level	Promote and raise awareness for FSC at national level

WHY IS FSC UNIQUE?



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Credible

FSC brings together economic, environmental, and social concerns from members globally to develop and agree on a set of rigorous standards. Before implementation, the standards are tested in the forest to ensure there is a sound scientific and ecological basis that produces the desired outcomes. Before a product can be labelled as FSC certified, each step in the supply chain has been reviewed against FSC standards.

Inclusive

FSC believes that respecting the views and needs of others is essential. Through open stakeholder engagement processes, it has helped give access, voice and vote to people worldwide.

Democratic

FSC is governed by its members. Equal voting weight is given to social, environmental and economic chambers, regardless of the number of members in each Chamber.

Global and local

FSC may be global, but its strength is at the local level. Through strict processes, people define and agree what 'responsibly-managed forests' means. The result is forest stewardship standards that are balanced, local and lasting.

Consistent

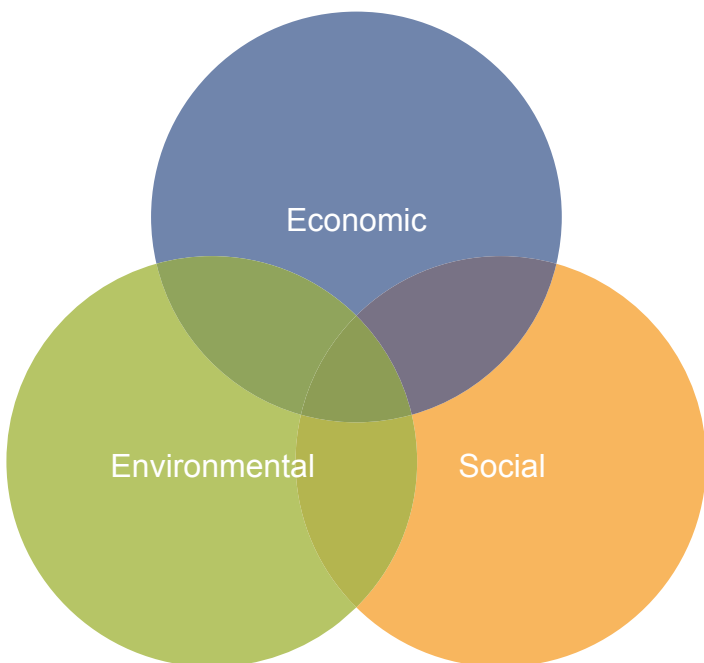
Worldwide the same 10 principles and 56 criteria are applied.

High ecological standards

FSC certified forest enterprises conserve rare and endangered species, promote non-chemical methods of pest management and do not use genetically modified trees.

Value of the FSC brand

The FSC logo is increasingly relevant due to market demand and consumer awareness.



The three pillars of the FSC system

FSC IMPACTS

<p>Helped to provide greater market access</p>	<p>Reduced social conflict in and around certified forests</p>	<p>Helped to improve the image of the forest industry locally and in associated markets</p>
<p>©FSC A.C.</p>	<p>©FSC A.C.</p>	<p>©FSC A.C.</p>
<p>Story Building markets, sharing knowledge with group chain of custody</p>	<p>Story Certification brings the market to the mountains</p>	<p>Story FSC – a synonym for ‘doing things well’!</p>
<p>Improved workers conditions in certified forests</p>	<p>Contributed to biodiversity conservation through caring for High Conservation Values and set-aside areas</p>	<p>Helped to secure land tenure and use rights in certified forest</p>
<p>©FSC A.C.</p>	<p>©FSC A.C.</p>	<p>©FSC A.C.</p>
<p>Story Maintaining a watchful eye in the Congo basin</p>	<p>Story Protecting tigers in the taiga: FSC provides the way</p>	<p>Story Northwest certified forestry in the USA</p>

FSC certification has positive impact in communities, companies, and forests around the world. For these and more success stories, visit <https://ic.fsc.org/success-stories.350.htm>

Online version offers direct links to stories.

FORESTS BY NUMBERS

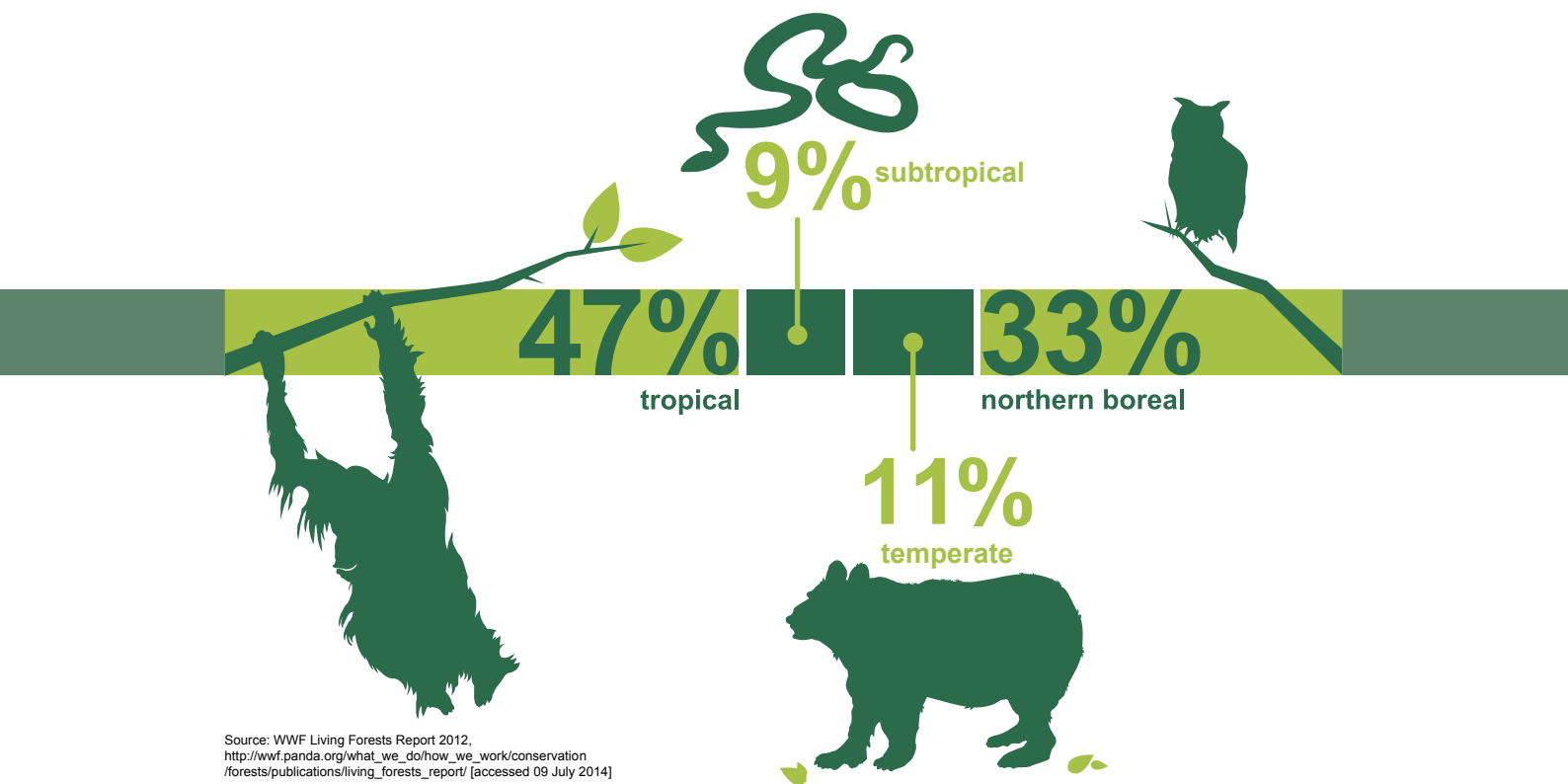
Forests cover about **31%** of the world's total land area

Source: FAO Forestry fact sheet, <http://www.fao.org/docrep/014/am859e/am859e08.pdf> [accessed 09 July 2014]



About **93%** of the world's forest cover is natural forests and **7%** is planted

Source: FAO Forestry fact sheet, <http://www.fao.org/docrep/014/am859e/am859e08.pdf> [accessed 09 July 2014]

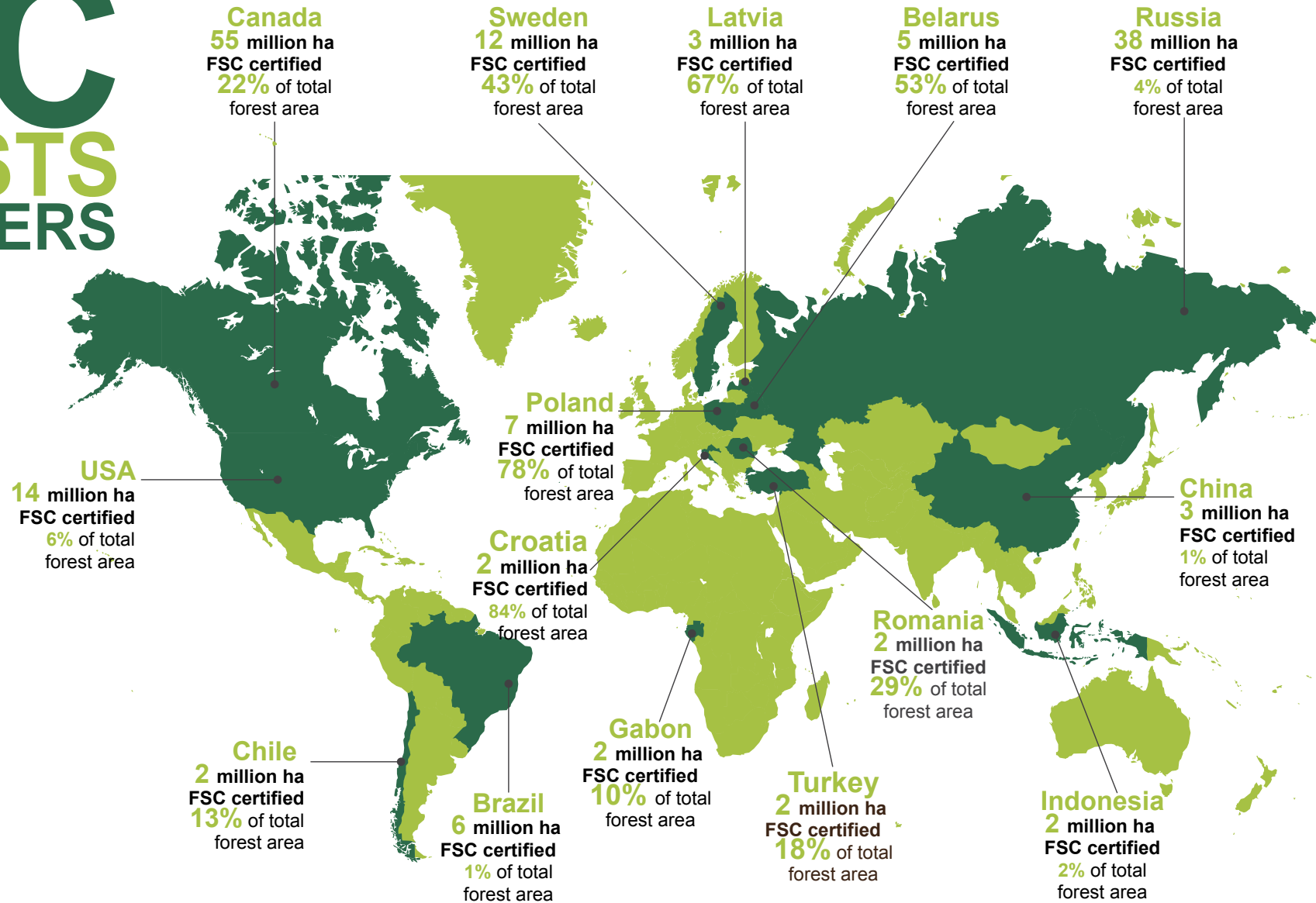


Source: WWF Living Forests Report 2012, http://wwf.panda.org/what_we_do/how_we_work/conservation/forests/publications/living_forests_report/ [accessed 09 July 2014]

The **5** most forest-rich countries (the Russian Federation, Brazil, Canada, the United States of America and China) account for more than half of the total forest area.

Source: FAO Forestry fact sheet, <http://www.fao.org/docrep/014/am859e/am859e08.pdf> [accessed 09 July 2014]

FSC FORESTS BYNUMBERS



Source: FAO Forestry, 2012, Section: Forests and the forestry sector, <http://www.fao.org/forestry/country/57478/en/hrv/> [accessed 09 July 2014]; for Sweden, Poland, Chile, Turkey, Romania, China, Latvia: FAO Forestry Global Forest Resources Assessment, 2010, <http://www.fao.org/docrep/013/i1757e/i1757e.pdf> [accessed 09 July 2014]; for Croatia, FAO Forestry Department, Global Forest Resources Assessment Country Reports, 2010, <http://www.fao.org/docrep/013/a1485e/a1485e.pdf> [accessed 09 July 2014].

Source: FSC Certificate Database, data as of May 2014. Estimate percentage given the different definitions for "forest cover."



Durchschnittliche Nährwerte

	pro 100ml:	pro Portion (250ml)
Brennwert:	200 kJ/48 kcal	500 kJ/119 kcal
Eiweiß:	3,5 g	8,8 g
Kohlenhydrate:	5,0 g	12,5 g
davon Zucker:	5,0 g	12,5 g
Fett:	1,5 g	3,8 g
davon gesättigte Fettsäuren:	1,0 g	2,5 g
Ballaststoffe:	0 g	0 g
Natrium:	0,05 g	0,13 g

*basierend auf einer Ernährung von täglich 2000 kcal



Vielen Dank, dass Sie ein Produkt gekauft haben, dessen Verpackung vorwiegend aus Holz besteht, das aus verantwortungsvollen Wäldern oder anderen kontrollierten Quellen stammt. FSC steht für eine vorbildliche und verantwortungsvolle Wirtschaftsweise, die strengen internationalen Standards entspricht.

pro Portion (250 ml) enthält:

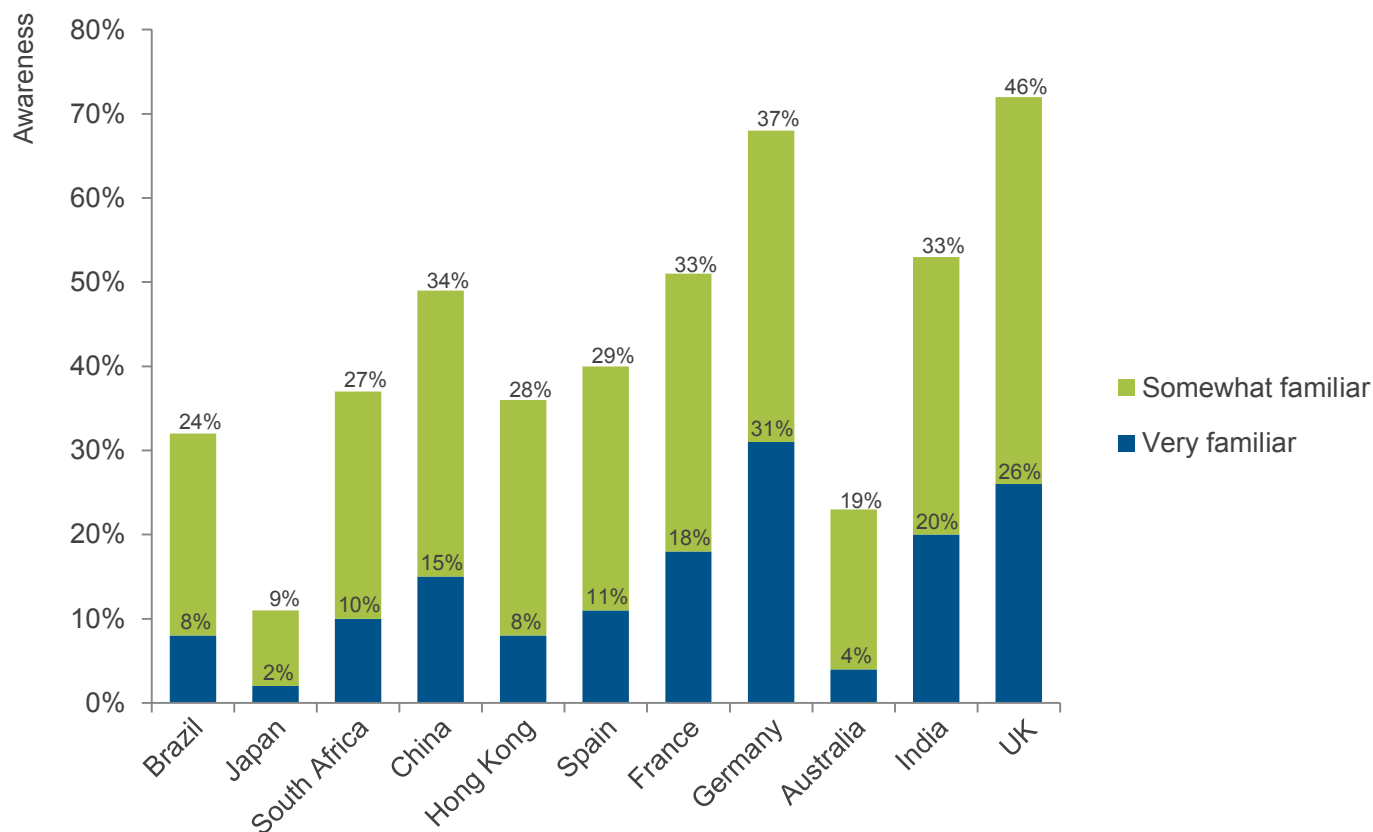
Wasser	Zucker	Fett	gesättigte Fettsäuren	Natrium
119 g	12,5 g	3,8 g	2,5 g	0,13 g
47%	5%	15%	11%	5%



FSC Awareness

Consumer recognition

Consumer awareness of the FSC logo is on the rise, reflecting FSC's success in helping companies address their sustainability agenda. The following graph shows results from FSC's Global Brand Positioning research, conducted by GfK in September 2013, in 11 markets and with over 9,000 participants. Among the 11 markets, the UK presented the highest level of awareness of the FSC brand, followed closely by Germany, India and China.³



FSC in the media

FSC is increasingly in the media and with a high positive coverage.

Media presence⁴

- Approx. 500 articles mentioning FSC every week in 2013.
- Over 90% positive/neutral in 2014.
- Articles appeared in >100 countries in 2013.
- Articles on FSC in 2013 in New York Times (June 2013), The Guardian (March 2013), The Guardian Professional (Aug 2013) and others.

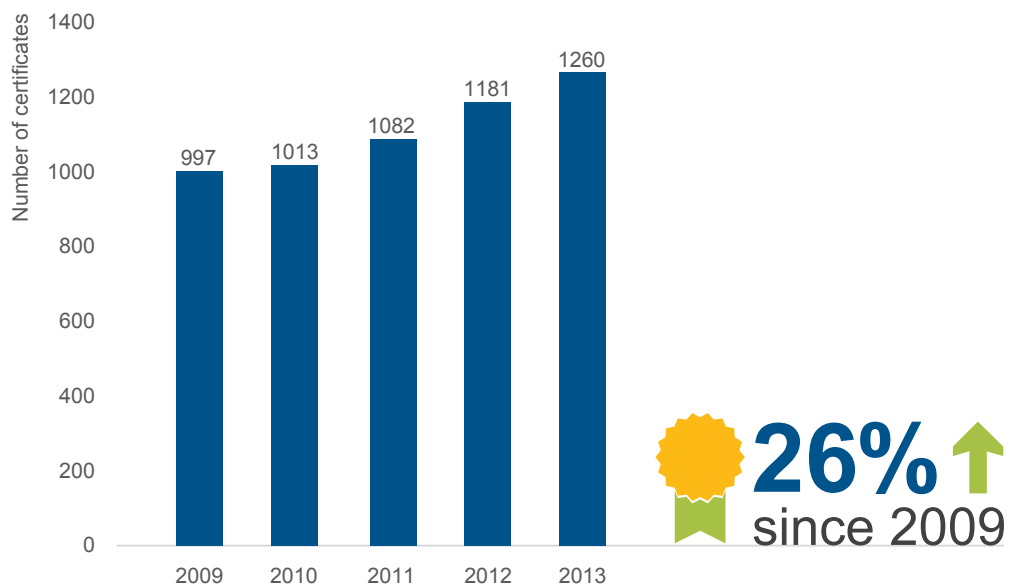
³ Source: FSC/GfK Global Consumer Brand Positioning, September 2013. Survey Methodology: Data for this study was collected from September 12 - 19, 2013, via online interviews sourced from opt-in online panels. Respondents were also screened to meet the following qualifications: pre-determined age group (21-64) gender mix (Male 35%/Female 65%), income threshold and POV (Point-of-View), such as green behavior (the Jaded/Laggard respondents were excluded).

⁴ Media clipping analysis from January - August 2013, unless mentioned otherwise.



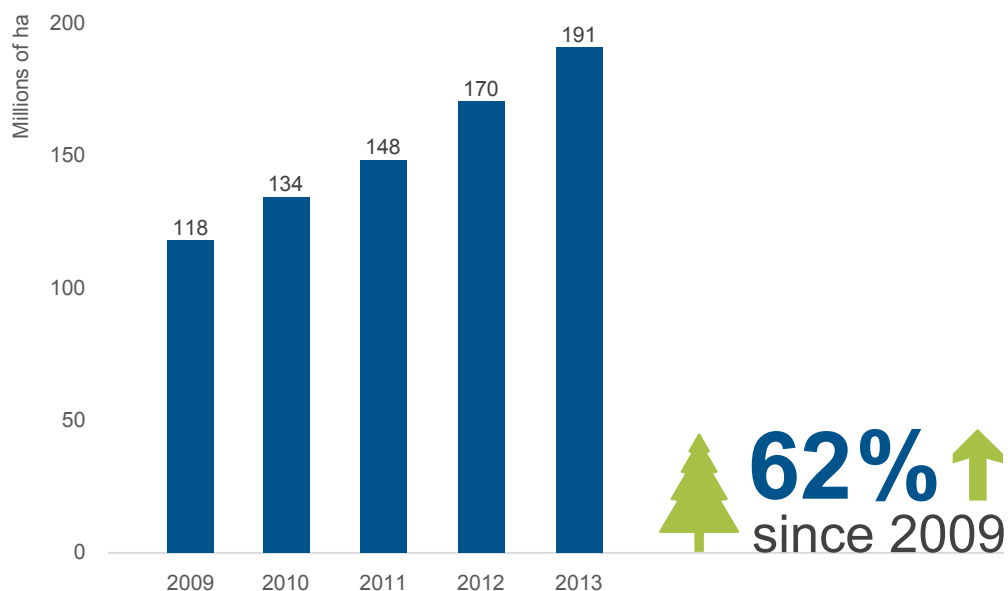
FSC Forest Management (FM)

Evolution of FSC FM certificates 2009 - 2013⁵



Forest Management (FM) certification is awarded to forest managers or owners whose management practices meet the requirements of the FSC Principles and Criteria. FM certificates increased from 997 in 2009 to 1260 certificates in the FSC system in 2013.

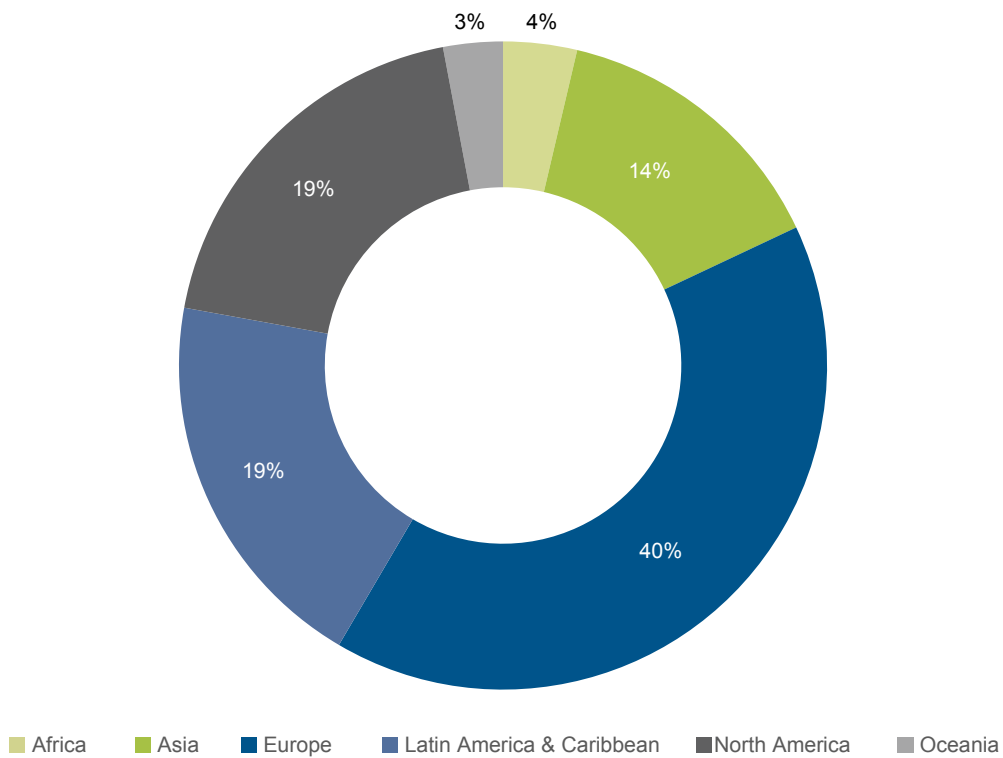
Evolution of FSC certified forest area 2009 - 2013⁵



Over 191 million hectares of forest worldwide were managed according to FSC standards in 2013, showing a growth of over 60% from 118 million hectares in 2009.

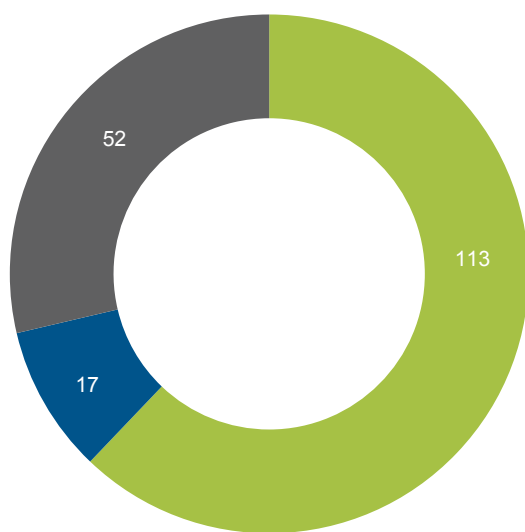
⁵ Source: FSC Certificate Database, data from December 2009 to December 2013.

Global Distribution of FSC FM certificates by region⁶

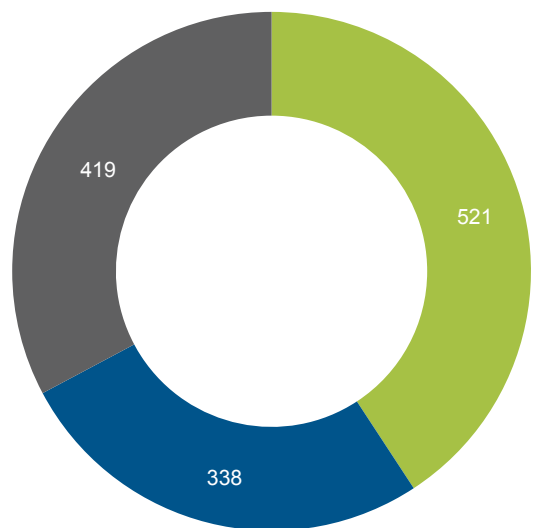


The majority of FSC FM certificates is concentrated in Europe with a total of 517 certificates, followed by Latin America and North America with 248 and 245 certificates, respectively.

Global FSC certified area by forest type (million ha)⁶



Global FSC FM certificates by forest type (number of certificates)⁶



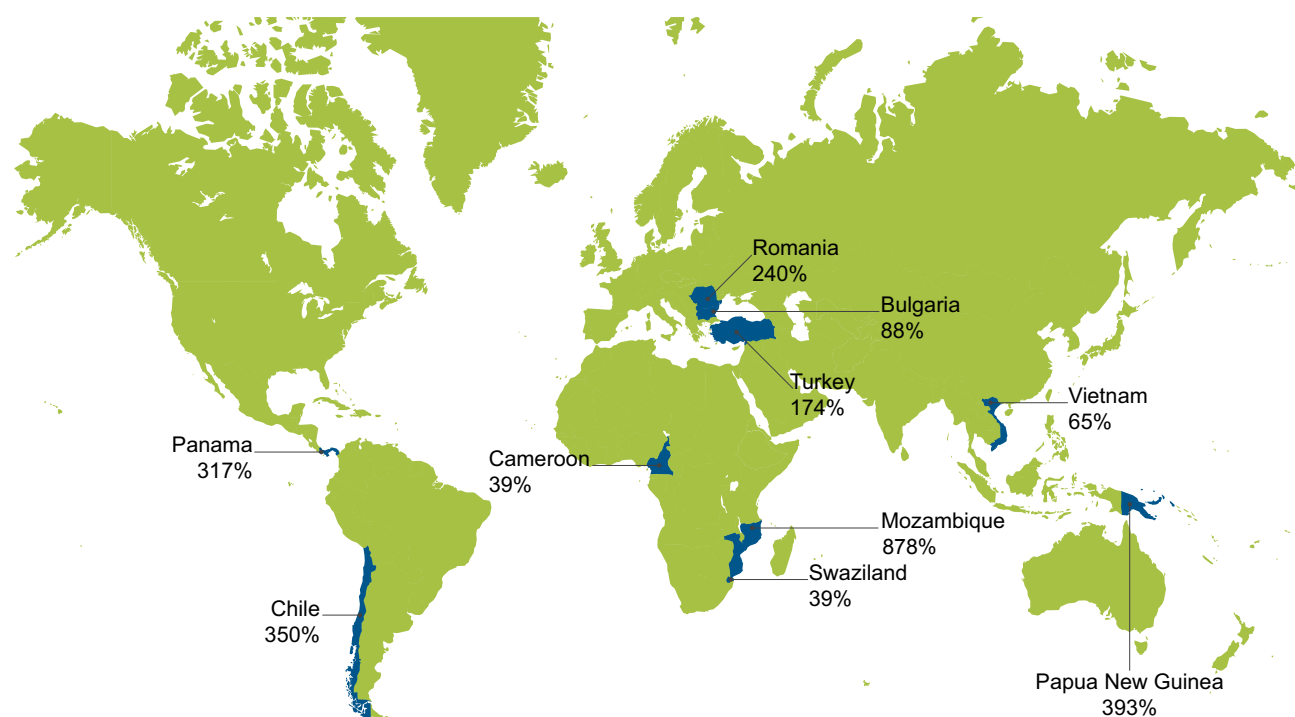
■ Natural
■ Plantation
■ Semi-Natural and Mixed Plantation & Natural Forest

⁶ Source: FSC Certificate Database, May 2014.

FSC certified forest area: Markets with highest growth⁷

Following are markets that have experienced high growth in FSC certified forest area between December 2012 and May 2014:

Emerging Markets ¹	2012		2014		% increase in forest area
	FSC certified area (ha)	Number of FSC FM certificates	FSC Certified area (ha)	Number of FSC FM certificates	
Mozambique	5,310	1	51,949	2	878%
Papua New Guinea	32,614	2	160,670	2	393%
Chile	508,574	19	2,290,564	22	350%
Panama	13,872	9	57,900	10	317%
Romania	718,432	5	2,439,332	10	240%
Turkey	873,360	3	2,389,007	8	174%
Bulgaria	217,892	12	409,674	14	88%
Vietnam	45,954	7	76,017	8	65%
Swaziland	80,321	2	111,863	3	39%
Cameroon	727,707	4	1,013,374	5	39%

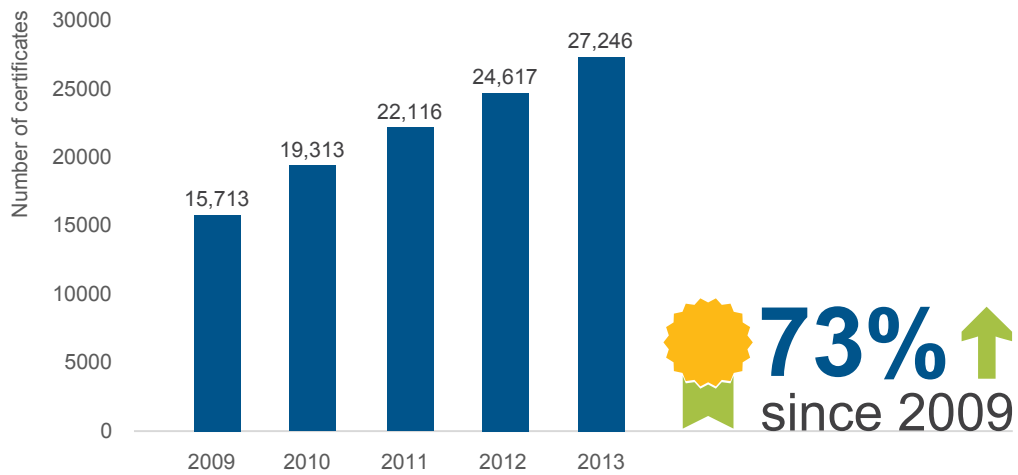


⁷ Source: FSC Certificate Database, data from December 2012 to May 2014.



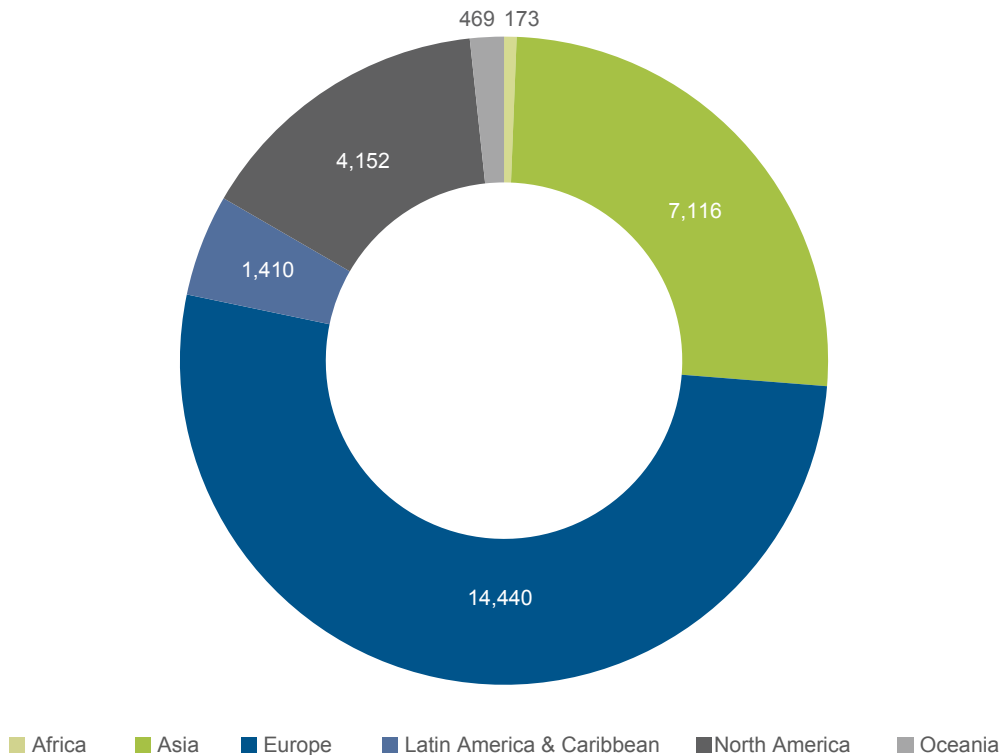
FSC Chain of Custody (CoC)

Evolution of FSC CoC certificates 2009 - 2013⁸



Chain of Custody (CoC) certificate holders provide the link between responsible production and consumption of FSC certified products. CoC certificates increased from 15,713 CoC certificates globally in 2009 to 27,246 certificates in 2013, a growth of 73%.

Global distribution of CoC certificates by region⁹

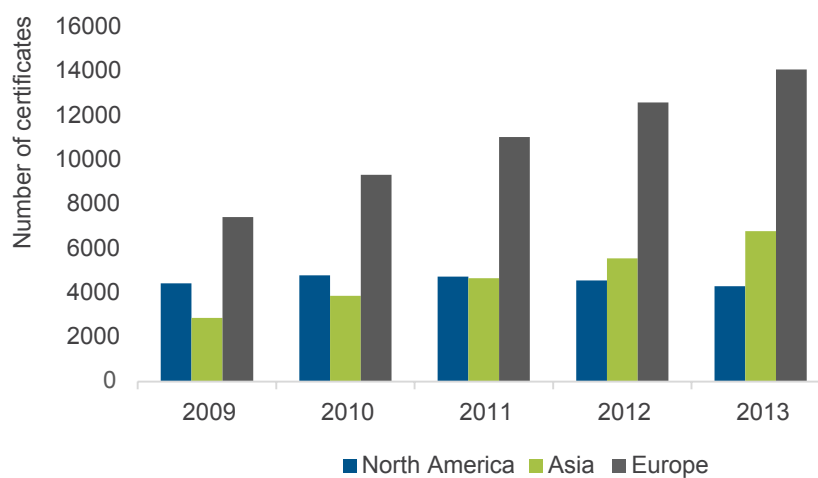


The majority of FSC CoC certificates is concentrated in Europe with a total of 14,440 certificates, followed by Asia and North America with 7,116 and 4,152 certificates, respectively.

⁸ Source: FSC Certificate Database, data from December 2009 to December 2013.

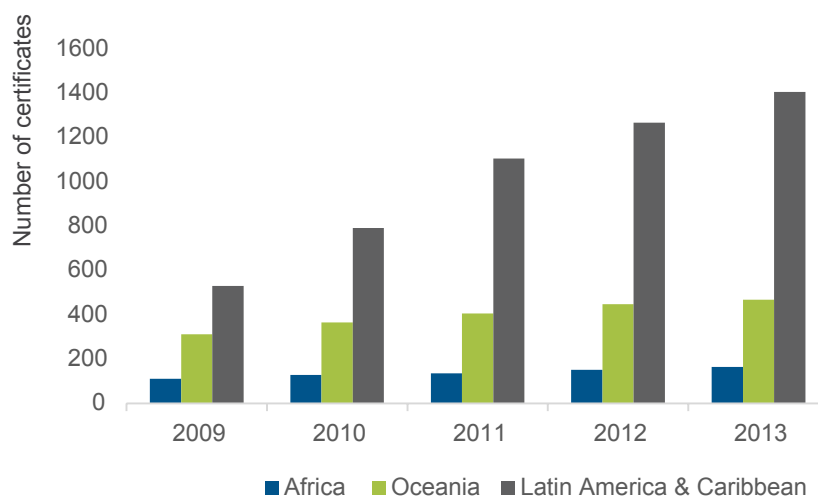
⁹ Source: FSC Certificate Database, May 2014.

Evolution of FSC CoC certificates: Northern hemisphere¹⁰



Region	2009	2010	2011	2012	2013
North America	4441	4805	4749	4576	4306
Asia	2881	3884	4668	5571	6796
Europe	7437	9337	11051	12602	14104

Evolution of FSC CoC certificates: Southern hemisphere¹⁰



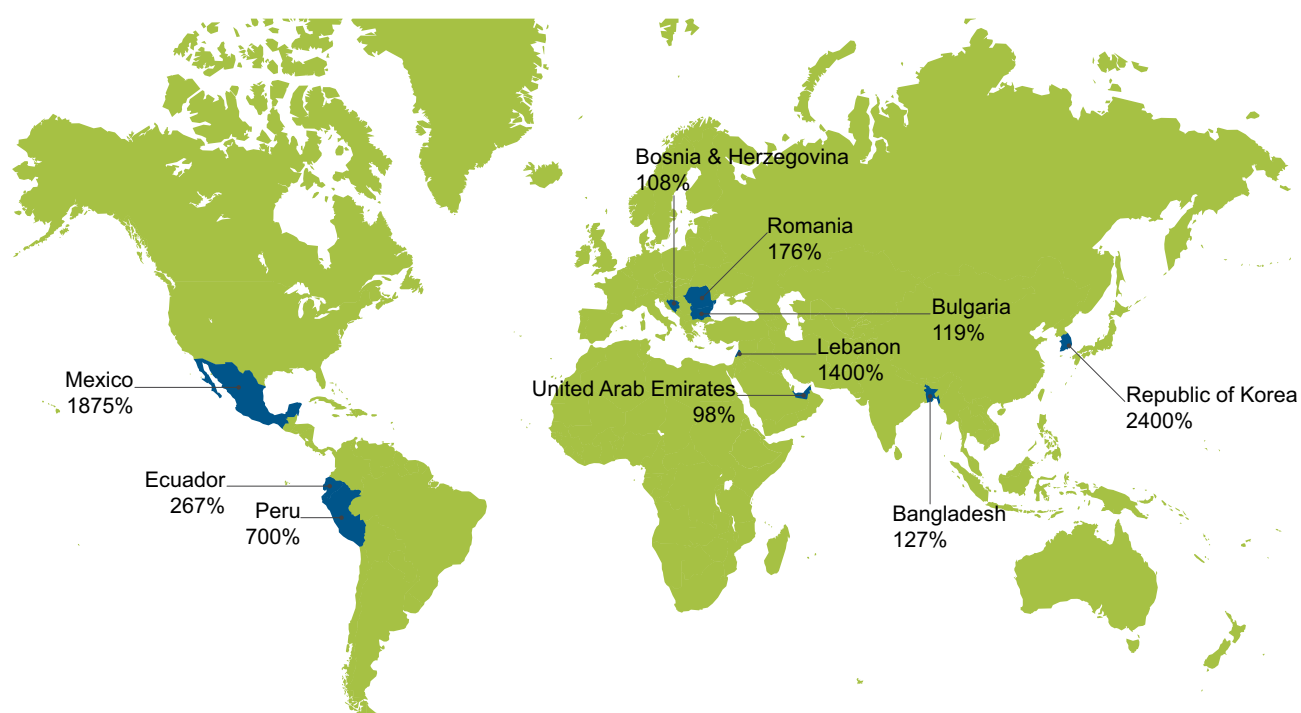
Region	2009	2010	2011	2012	2013
Africa	112	129	136	152	165
Oceania	312	366	406	448	468
Latin America & Caribbean	530	792	1106	1268	1407

10 Source: FSC Certificate Database, data from December 2009 to December 2013.

FSC Chain of Custody certificates: Markets with highest growth¹¹

Following are markets that have experienced high growth in FSC CoC certificates between December 2012 and May 2014:

Emerging Markets ²	FSC CoC certificates 2012	FSC CoC certificates 2014	% increase in CoC certificates*
Republic of Korea	8	200	2400%
Mexico	4	79	1875%
Lebanon	1	15	1400%
Peru	4	32	700%
Ecuador	3	11	267%
Romania	92	254	176%
Bangladesh	11	25	127%
Bulgaria	26	57	119%
Bosnia & Herzegovina	119	247	108%
United Arab Emirates	41	81	98%

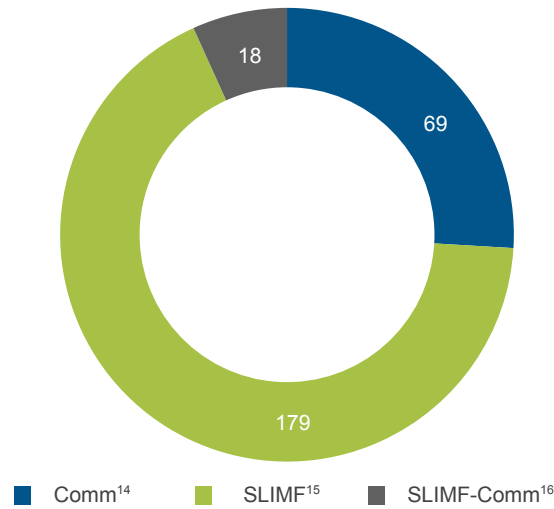


¹¹ Source: FSC Certificate Database, data from December 2012 to May 2014.



FSC Smallholders

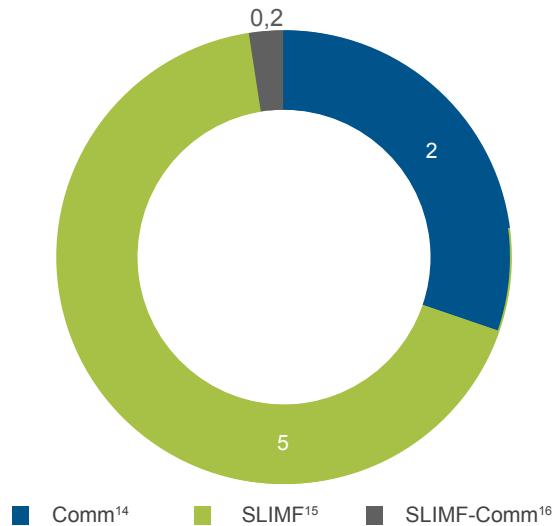
Global FSC certificates by smallholders¹²



20%¹³
of all FSC FM
Certificates

Small and community producers hold 20% of FSC FM certificates worldwide in 2014.

Global FSC certified area by smallholders (million ha)¹²



4%¹³
of all FSC Certified
Forest area worldwide

Small and community producers manage 7.4 million of hectares, which corresponds to the 4% of all FSC certified forest area worldwide in 2014.

12 Smallholders is the term used to describe those who own, manage or use forests which are considered “small” in size and those who apply low intensity harvesting practices to timber and/or non-timber forest products. Smallholders can also describe those who practice community forestry, where ownership and management are community controlled.

13 Source: FSC Certificate Database, May 2014.

14 Community producers.

15 Small or low-intensity managed forest.

16 Small, low intensity and community forest operations.



FSC Market Trends



Construction¹⁷

As more forests are managed responsibly, the long term availability of wood can be ensured. Replacing materials such as concrete and steel can lead to a reduction of up to 86 percent in greenhouse gas emissions. Not only does FSC certification guarantee the use of environmentally appropriate forest management practices in the production of wood for construction, but it is also increasingly useful for companies participating in the green building industry, as well as helping ensure compliance with changing timber regulations. Around the world, many public procurement policies make certification a pre-requisite for selecting suppliers of construction materials.



Recent years have seen the emergence of a trend in ‘green living,’ reflecting a need felt by many consumers for a more eco-conscious and healthy lifestyle. This trend includes a preference for natural materials such as wood for interiors, furnishings and houses.

Research indicates that there is a link between our perceived well-being and the use of wooden objects and finishings in interiors.

FSC: A growing family of certified products and companies¹⁸

Softwood lumber	MDF	Flooring
Hardwood lumber	OSB	Doors
Timbers	Particle board	Windows
Engineered wood products	Veneers	Siding
Plywood	Moldings	Furniture

A key green building material¹⁸

According to one of the world’s largest environmental organizations, the World Wide Fund for Nature (WWF), **FSC certified wood** is a key component of green building. “Credible third-party forest certification is an important way to promote forest management that is environmentally and socially responsible. This in turn supports our overall goals of conserving nature and protecting biological diversity,” says Kerry Cesario, WWF’s managing director for forests. Along with other respected environmental groups like the Natural Resources Defense Council and Rainforest Alliance, WWF recommends products from **FSC certified, responsibly managed forests** as a building material for other reasons in addition to forest conservation.

Green manufacturing¹⁸

FSC certified manufacturers include some of the most innovative companies in the world. Along with addressing forest issues, many have taken steps to design and manufacture products that satisfy other concerns of the sustainable design community, including indoor air quality (IAQ), recycling and chemicals of concern.

17 Source: FSC Forest Stewardship Council, 2013. Choose FSC® certified wood and paper: Discover the benefits for your business. Section: Sector benefits [online]. Available at: <http://benefitsforbusiness.fsc.org/sector-benefits.3.htm> [accessed 27 June 2014].

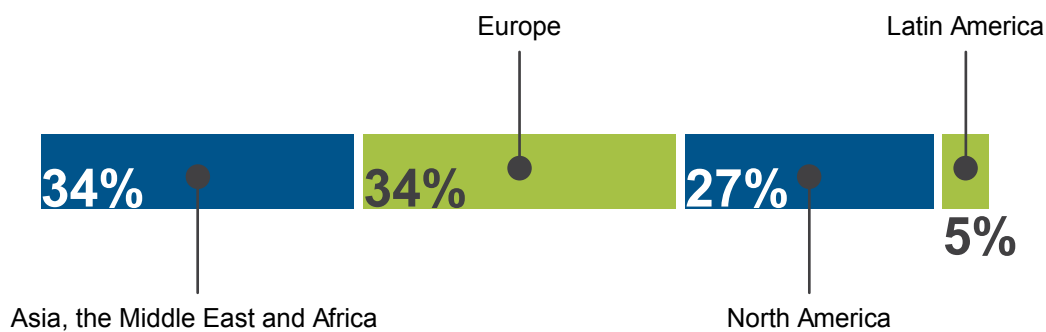
18 Source: FSC US, 2014. Available at: <http://us.fsc.org/download.ceu-mastering-fsc-wood-in-green-building.235.htm> [accessed 04 July 2014].

Packaging¹⁷

The EU and many other markets have regulations and targets in place to minimize the environmental impact and increase recycling rates for waste from packaging. Packaging companies therefore are under pressure to demonstrate the highest environmental credentials. The FSC label on packaging shows that the paper and board used are responsibly sourced. And, compared to many other packaging materials, paper and board have the advantage of being renewable, reusable and recyclable.”

Consumption by region

The global consumer packaging market is valued at approximately **US \$400 billion**.



Global demand

The **FSC label** is a clearly recognizable logo that packaging producers can pass on to their customers – often large retailers– and ultimately, to the consumer. It demonstrates that the original material has not come from illegally logged or environmentally destructive sources.



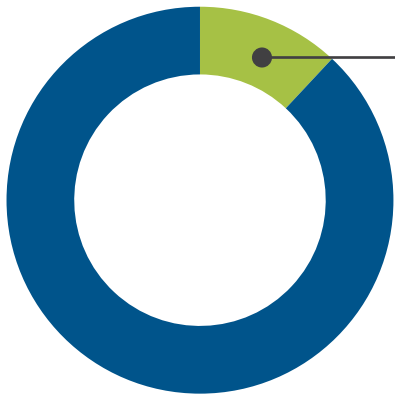
Russia, India, Brazil and China are estimated to be the source of about **30%** of global demand, a proportion that will increase as their economies develop further.

Packaging sales in these emerging markets are expected to continue to show strong growth because, due to a growing middle class, increased consumption and demand for consumer goods is driving the demand for more sophisticated packaging.

“Because our customers are more focused on their environmental impact today, we see much higher demand for FSC-certified material than we have over the previous three years. Today more often than not when we bring out new designs for a customer, they demand that it is produced with FSC-certified paper, and we see this as a very positive development. Our goal is that all our packages are FSC-certified!”

Caroline Schmidinger, Customer Support Manager,
Market Area Nordics, Tetra Pak.

Paper and publishing¹⁷



11% of the wood extracted from the world's forests is used by the paper industry, which annually produces **400 million tons** of paper.

The U.S.A., Canada, Japan and China account for more than half of this production.



“HP became an FSC member in 2011, helping to shape the council’s policies and criteria, and we strongly encourage our paper suppliers to pursue FSC certification. We also achieved our goal of having at least 40% of HP-branded paper be FSC-certified and/or contain at least 30% postconsumer waste (PCW) content by the end of 2011. HP’s new goal is that 50% or more of its branded papers will meet one or both of these criteria by the end of 2015. The majority of our photo papers and specialty papers have achieved FSC “chain of custody” (CoC) certification (SCS-COC-002255), demonstrating that the paper’s fiber originates from a forest that is responsibly managed in accordance with FSC principles and criteria.”

Hewlett Packard

According to WWF, more than one million tons of paper are used every day, and in emerging markets such as **China** this consumption is steadily increasing. This means that the industry must meet a substantial demand for paper.

As the paper industry depends on forests to provide the raw material for production, a long term management plan and halt in deforestation are key. Through responsible management of forests, the **FSC certification system** ensures that no more trees are harvested than the forest itself can manage to reproduce, as well as making sure that what is cut down is being replanted, thus securing a constant source of raw material.

Retail¹⁷

Worldwide, more and more retailers are choosing FSC certified products as part of their portfolio. **The FSC label** is an easy way of showing customers that they are buying a product derived from forest operations that protect the rights of the workers and local communities while maintaining the forest biodiversity and wildlife.

There is an emerging market for green consumer goods in Europe.

More and more consumers are choosing green goods when shopping, and **FSC certified companies are feeling this increasing demand.**



A study shows that Europe's market for green consumer goods value is set to double to **€114 billion by 2015**¹⁹

FSC is growing outside Europe as well. The Asian market potential for **FSC certified products** has grown and it is expected that this growth will continue. Awareness of the label among consumers has also increased.

“Customers don't have to consciously choose more sustainable timber when they shop at B&Q UK – 100% of its timber products are responsibly sourced, from proven well-managed sources. Now a new sandpaper range, certified to FSC standards, is hitting the shelves, meaning that customers can be confident that any paper products they buy at B&Q UK are responsibly sourced too.”

Kingfisher

FSC has produced an interesting report to explain these benefits to you and your business partners.

With sector-specific information, case studies from leading companies, fun facts, infographics, examples of impacts and much more, it is a resource to showcase the value of FSC certification.

For further information, please visit <http://benefitsforbusiness.fsc.org>

¹⁹ Source: PressUK, 2010. European consumers pay 46% more for green retail products. [online] Available at: <http://press.kelkoo.co.uk/european-consumers-pay-46-more-for-green-retail-products.html>, [accessed 22 January 2014].



New sectoral trends

Materials originating from forests are used in a myriad of ways in everyday life. So the market for FSC certified products is also moving into sectors which – at first sight – might not be connected to forests. As wooden and paper products originating from FSC certified forests have many advantages compared to other materials, FSC plays an increasing important role also in fashion, sports and other “new” sectors.

FSC in Sports



For both sport events and the products used in sports, the use and awareness of FSC certified materials is growing. Construction materials for big sport events such as the Football World Cup or the Olympics often follow strict procurement policies specifying FSC certification as prerequisite for wood-based materials used on construction sites. For example, in London 2012 more than two thirds of the timber used in the construction for the Olympic Park was FSC certified. When it came to the Athletes' Village, FSC material made up over 98% of the timber content.

At the same time more and more consumer products in sports are FSC certified as well. From footballs to volleyballs made of latex, from gym flooring to table tennis rackets or baseball bats made of wood – all is already being produced with FSC certified materials.

FSC in Fashion



Given the current economy, the textiles industry is facing increasing pressure from civil society organizations on environmental and social concerns. For example one of the main materials used, cotton, competes with food crops in land use and some of the production processes can harm the environment and need heavy use of water resources. In this context the demand for textiles made from tree cellulose fibers is growing. Also natural rubber or cork are increasingly used for footwear and accessories. FSC certification ensures that these materials come from responsible sources.

Initiatives such as “Fashion Loved by Forests” by the NGO Canopy involve leading fashion brands such as Inditex (owner of e.g. Zara), H&M, Stella McCartney, C&A, Quicksilver Roxy and Eileen Fisher and consider FSC to be the only international certification scheme recognized as a measure of ecologically sustainable logging.

From paper bags and product catalogues, to shoes made from rubber and garments from forest based fibers, many fashion brands are looking into producing more of these products from FSC certified sources.

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