Developments in FSC

08 April 2013
Gemma Boetekees
FSC Global Network Director
Content of presentation:

- FSC growth
- FSC organisation
- FSC Network
- FSC Business development
- FSC Policies and Standards
- FSC Online Claims Platform
- FSC Communications
FSC was established to...

promote

- environmentally appropriate,
- socially beneficial, and
- economically viable management of the world's forests.
FSC Members

over 800 members in about 70 countries

- WWF, Greenpeace, Rainforest Alliance, a diversity of nature conservation organizations, etc.
- Labour Unions, Oxfam, Beijing Forestry Society, etc.
- Ikea, Kingfisher, Sainsbury, Home Depot, Tetra Pak, CEPI, DLH etc.
174 million hectares certified – some 4% of all forests globally, 12% productive forests

Total number of FM certificates: > 1200

COC certificates: > 25500 in 112 countries

FSC representation in 44 countries, 5 Regional Offices

Figures April 2013
FSC NETWORK: decentralisation
FSC is:

- a membership organisation in governance (to which NPs have a technical advisor), and is
- organised as a ‘franchise-like’ organisation with an umbrella (FSC International) and contracted national partners (NPs, or ‘the Network’), and is
- managed by a directors team (with RDs in strategic positions towards the GND and advisory committees of NPs on important issues to GND)
Decentralisation Principles:

From organic development, towards planned development

- Regional Offices: FSC close to Network Partners
  - 1 regional meeting/region and 1 international meeting each year (support + organisation)
- Where do we need Network Partners?
  - Structure follows the mission (FM + markets)
  - Strategic development: be where we should be
- Contractual, binding relation, combined with revenue sharing
- Accountability amongst us all (FSC-IC and NP’s)
3 Different levels of engagement of Network Partners:

- **10 National Focal Points**: individual, FSC member specified and agreed task, voluntary basis with expense reimbursement, no representation

- **6 National Representatives**: individual, specific and agreed responsibilities, part-time, contractual agreement, ‘revenue sharing’, represents FSC

- **31 National Offices**: group of people, legal entity, financial/organisational sound, professional fundraising, contractual agreement, yearly targets, revenue sharing, represents FSC

_A standard working group is not necessarily a NP_
Progress:

From organic development, towards planned development

• Network Policy (structure of Network) agreed and published (2011)
• Network Procedures agreed and published (2012)
  – Roles and responsibilities of NPs, per category
  – FSC-PRO-60-001
• Self-assessment of all NPs: do you fulfil?
• End 2013: update of self-assessment, in correct category
• Applications open to only 4 NOs (South Africa, Malaysia, Italy, Argentina): need to meet the threshold
# Self-assessment template for FSC National Offices

## a) Be established as a legally independent entity, satisfying all necessary in-country legal requirements.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Verifier</th>
<th>Where can FSC find the evidence for the verifier (database, annex to self-assessment, on request to whom, etc)?</th>
<th>What do you need from FSC International to comply?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a,1 The Organization is formally registered with a legally authorized governmental/national institution.</td>
<td>• Registration documents</td>
<td>A key document which you are requested to provide. Please indicate how you intend to do this (database, annex to this template, etc)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Statement signed by the chair of the Board or similarly empowered person that all legal requirements for registration are being met</td>
<td>A key document which you are requested to provide. Please indicate how you intend to do this (database, annex to this template, etc)</td>
<td></td>
</tr>
</tbody>
</table>

## b) Be established as a multi-stakeholder organization that mirrors the one of FSC-AC with a Board of Directors composed of at least three (3) FSC members with a balance of economic, environmental and social interests.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Verifier</th>
<th>Where can FSC find the evidence for the verifier (database, annex to self-assessment, on request to whom, etc)?</th>
<th>What do you need from FSC International to comply?</th>
</tr>
</thead>
<tbody>
<tr>
<td>b,1 The Organization has at least 3 members of FSC International on its Board of Directors</td>
<td>List of Board members, indicating their membership at FSC International</td>
<td>A key document which you are requested to provide. Please indicate how you intend to do this (database, annex to this template, etc)</td>
<td></td>
</tr>
<tr>
<td>b,2 The Organization has a list of documents and copies of</td>
<td></td>
<td>A key document which you are requested to provide. Please indicate how you intend to do this (database, annex to this template, etc)</td>
<td></td>
</tr>
</tbody>
</table>
**Regional Offices:** Part of FSC International

5 Decentralised Regional Offices established:

- FSC Asia-Pacific
- FSC Africa
- FSC CIS
- FSC Latin America
- FSC Europe

**Regional Offices work:**

- Development and Support for Network Partners in region
- Strategic regional plans, training, engagement of stakeholders
- Client support where there is no FSC Network Partner
- Fundraising
Support to FSC Russia

Related to income from Russian CH, channelled back
- Revenue sharing 2013: USD 163,864,=
- Regional IGI work: USD 30,000,=
- IGI work in Russia: USD 68,000,=
- Support to Belarus standard development: USD 20,600,=
- Regional work: credibility: USD 56,789,=
- 2013 extra investment credibility: USD 104,000,=
- Salary Director FSC Russia / CIS region

Total: more than USD 443,253,=
Credibility of certification in Russia

- NGO letter received and discussed
- Roundtables at Russian GA as opportunity
- Detailed reply to letter after the GA
- Working group between FSC International, ASI and FSC Russia will be established
- Work plan will be agreed
MOTION 8 : how can we finance FSC and the FSC Network sustainably, while considering governance and accountability?
Project overview

- Started beginning 2012
- Decision expected in Board Meeting June
- Guided by a Motion 8 Steering Group with 6 NPs, 1 CB, 1 RD and 3 Directors FSC-I
For example: looking at growth scenario’s

<table>
<thead>
<tr>
<th>FM Scenario</th>
<th>CoC Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business-As-Usual</strong></td>
<td><strong>Assume that FSC contains to grow CoC certificates to 2020 at the same rate as over the period from 2011 to 2012 in existing 80 countries (11.4% CAGR) (bar top 3 AAF collection countries)</strong></td>
</tr>
<tr>
<td>(focuses on continuing growth to date)</td>
<td></td>
</tr>
<tr>
<td>Assume that FSC contains to grow FM certified forest area to 2020 at 50% of the rate as over the period from 2007 to 2012 in existing 80 countries (6% rather than 12% CAGR)</td>
<td>+28,000 CoC certificates</td>
</tr>
<tr>
<td>+ 88m certified hectares</td>
<td></td>
</tr>
<tr>
<td><strong>Accelerated Growth</strong></td>
<td><strong>Assume that the FSC achieves the ratio of CoC certificates to GDP displayed by an indicator group only for the shortlist of 46 relevant countries for market penetration (all other countries stay at 2012 levels). This assumes no growth in size of these 46 economies.</strong></td>
</tr>
<tr>
<td>+151m certified hectares</td>
<td>+40,000 CoC certificates</td>
</tr>
<tr>
<td><strong>Transformative</strong></td>
<td><strong>Assume that the FSC achieves the ratio of CoC certificates to GDP displayed by the indicator group, and that CoC certificates also grow as a function of growth in the overall economies for the shortlist of 46 countries that are relevant countries for the achievement of FSC mission.</strong></td>
</tr>
<tr>
<td>Assume that the FSC achieves 51% coverage in the shortlist of 45 countries that are relevant countries for the achievement of FSC mission.</td>
<td>+96,000 CoC certificates</td>
</tr>
<tr>
<td>+682m certified hectares</td>
<td></td>
</tr>
</tbody>
</table>
BUSINESS DEVELOPMENT
Drivers of FSC certification

• Private procurement policies
  • Retailers, manufacturers, publishers, banks
  • Corporate image
  • Risk management
• Public procurement
• Growing consumer awareness
Projects Business Unit

- FSC Marketplace
- Global Survey
- Global Partnership Program
- Certificate Holder Brochure
- Market News
- Wood as material of choice (Motion 54)
- Retailer engagement (Motion 45)
- KAM in Market Development Projects
- Market Intelligence (Market Info Pack / Facts and Figures)
- Linking KAM and SSP

- KAM toolkit
- Industry events
Creating connections for FSC® certified businesses worldwide.

If you are an FSC certificate holder, please get involved, fill in your Marketplace profile and start finding customers or suppliers to build your FSC business.

Register now
Global Market Survey

• Yearly survey since two years
• Respondents = FSC Certificate Holders worldwide
• Objective is to source feedback from CHs on FSC certification and on market dynamics affecting certification. Improve service delivery / strategic directions.
• Yearly also includes questions on a relevant recent topic. (example: timber regulations in 2011)
• In 2011 5032 respondents took part from 109 countries and the questionnaire was translated in 14 languages
• Can be downloaded from FSC Internet, under ‘Resources‘ and then go to ‘Market Information‘
• 2012 Report is available on the website in English, French, Spanish and simplified Chinese
POLICY AND STANDARDS
PSU PROJECTS

FOREST MANAGEMENT
- International Generic Indicators (IGI)
- Transition of National Standards
- EUTR – FSC Due Diligence System
- HCV Guidance, ERA
- Certification preconditions
- Modular Approach Program (MAP)
- Biomass, -fuel

CHAIN OF CUSTODY
- Major revisions (40-004; 40-006)
- Group / Multi-site standards
- Retailer Standard

CONTROLLED WOOD
- Revision of standards

• globalforestregistry.org
• Support in NRAs
• MONITORING AND EVALUATION
  - Impact assessment and reporting
  - Benchmarking FSC

SOCIAL POLICY
- Social risk assessment
- FPIC Guideline
- Dual certification (FSC/FLO)

OTHERS
- ForCES (Ecosystem Services)
- Online Claims Platform
- Fibre Testing
IGIs to National Std Transfer  
http://igi.fsc.org/index.htm
We are here

Start 03/12

IGi Process *

Transfer Process

* Process according to FSC-PRO-01-001

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Quality Assurance: Online Claims Platform
Online Claims Platform

“Providing assurance of the **veracity** of any FSC claim made on a given product, in a timely manner”

With Historic Futures
One Shipment: One Record

Certificate Holder 1
('supplier')

Certificate Holder 2
('customer')

Goods out
Product __________
Customer __________
Quantity __________
FSC Claim _______
Invoice No. _______

Increased Efficiency

Online Claims Platform

ACCEPT
REJECT

REPORT

Certification Body A

Certification Body B
COMMUNICATIONS
Legacy
Connected from the start...

“Mondi prides itself on being a responsible corporate citizen and using natural resources in a sustainable way. FSC® certification plays a major role in this and encompasses both social and environmental aspects of forest management. Our holistic approach creates long-term value for all our stakeholders and upholds our stewardship role.”
Mr. David Hathorn, Group CEO, Mondi

All Mondi forests owned, leased and managed in Russia and South Africa are FSC® certified.

...for long-term benefits.

Industry leaders choose FSC®. Learn why you should too at www.fsc.org

Connected from the start...

“Today, 13 million hectares of forest continue to be lost every year and timber supplies are under pressure. We know that in addition to environmental concerns, we’ll see global supply chains challenged in the coming decade. Timber is the primary material in over 30% of our home improvement products, so we’re keen on solutions that secure resilient supply chains from healthy, well-managed forests. In fact, we’ve been keen for nearly twenty years as a founding member of FSC®. We’re doing our part in global forest stewardship, for our customers and for future generations.”
Mr. lan Cheetham, Group CEO, Kingfisher

As a founding FSC® member, Kingfisher has prioritized a sustainable forest product supply chain for nearly twenty years.

...for a sustainable finish.

Industry leaders choose FSC®. Learn why you should too at www.fsc.org
Connected from the start to protect what’s good

“We know our partners in the forest are using FSC® certification to protect the natural environment in Switzerland. Without the forests there would be no protection from avalanches nor of soil and water resources. We bring these benefits to our customers by offering a broad range of FSC labelled products. With great care, we promote the FSC brand as part of our mission to be the greenest DIY in Switzerland. We’re bringing sustainable forest products and practices to our customers in the International Year of Forests, and beyond.”

Mr. Joos Sutter, CEO, Coop Cooperative (Switzerland)

With a focus on sourcing responsible forest products, over 70% of Coop’s timber assortment is FSC® certified.

...to protect Swiss forests.

Industry leaders choose FSC®. Learn why you should too at www.fsc.org

“Tetra Pak is the world’s leading food processing and packaging solutions company and one of the largest paperboard purchasers. To protect what’s good, producing our carton packages relies on healthy forests. By choosing FSC we’re putting our buying power into good forest management. Through the FSC label, our customers enable consumers to contribute towards protecting the environment. We have a stake in the future of the world’s forests. That’s why we choose FSC.”

Dennis Jönsson, CEO, Tetra Pak Group

In 2011, 18.4 billion FSC-labelled Tetra Pak cartons reached consumers worldwide. Read more at www.tetrapak.com/environment

Industry leaders choose FSC®. Learn why you should too at www.fsc.org
FSC Global Brand Positioning

• Develop positioning to drive mainstream preference
• Robust consumer insights gathered in qualitative groups in US
• Quantitative online study with 1500 people in US
• Explore “Mainstream Green” motivations and behaviors, incl. product purchase, perceptions on forests and products
• Rational and emotional brand opportunities to drive purchase preference
• Now research in: Japan, Germany, UK, Denmark, South Africa, Spain, Brazil, China, France, Australia

End of year: aligned global FSC brand positioning
Future developments

- Quality assurance
- Phased approach to certification
- Support for market development
- Development of distributed Network
- Impact of FSC certification
- New wood-based Fibers