



Global Market Survey

Forest Stewardship Council®
Report 2014

14



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About FSC®

The Forest Stewardship Council® (FSC) promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests. Our vision is for the world's forests to meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations. The FSC logo allows consumers to identify, purchase, and use timber and forest products produced from well-managed forests and verified recycled sources. More than 180 million hectares of forest around the world are certified to FSC standards.

OUR GOVERNANCE

FSC is governed by its members. They come from diverse backgrounds and include representatives of environmental and social NGOs, the timber trade, forestry organizations, indigenous people's organizations, community forestry groups, retailers and manufacturers, and forest certification organizations, as well as individual forest owners.

Members apply to join one of three chambers of FSC's decision-making body, the General Assembly – environmental, social and economic. The chambers are further sub-divided into Northern and Southern sub-chambers. To guarantee that influence is shared equitably, the votes of the General Assembly are weighted so that each chamber holds exactly one third. Within each chamber, votes are weighted to ensure equal distribution between North and South.

OUR MISSION

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

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.

Choose good business – Choose FSC

FSC reached two historic milestones last year, as we celebrated our 20th anniversary and our 7th General Assembly. We are proud of what we have accomplished in the last 20 years, and none of it would have been possible without the committed support of you - our 30,000 certificate holders. The Global Market Survey 2014 helps illustrate our achievements together, and is a valuable insight into the value of FSC in the global market.

FSC has issued almost 3,500 new certificates since the last survey was published in 2012, and we are delighted to see that businesses continue to agree on the value that the FSC label adds to their products (81.5% of respondents), with client demand being the number one reason for becoming FSC certified, followed by improved market access. It is clear from these results that an ethical idea has been transformed into a globally recognized, credible, and trusted brand in the market.

The news only gets better, as the survey reveals that it's easier than ever before to source FSC-certified materials and products. Between 2012 and 2014, the number of respondents who consider FSC-certified products easy to source has increased by almost 10%, and this is sure to rise as FSC continues to grow into emerging markets in Africa, Asia and Latin America.

Customers are increasingly knowledgeable in distinguishing between those businesses that are

truly committed to sustainability, and those that simply talk about it, which is why nearly 50% of respondents have seen an increase in the relevance of FSC in their sector – customers are demanding products from responsible and ethical sources, and they are secure that the FSC label provides that to them.

So, what does all this mean? After 20 years, FSC is the world's strongest forest certification system, in terms of global reach, robustness of certification criteria and number of businesses involved in the system. Over 183 million hectares around the world are FSC certified. Can we do better? Of course we can. We have much to learn from our members, partners and certificate holders in order to improve our system. We continue to learn, and improve, every day.

Businesses are on the front lines in securing our children's future – corporations that make sustainable choices are vital to saving our forests, and our planet. What the results in this survey suggest is that it's also sound business practice – profits don't have to come at the expense of environmental and social benefits. If your business is not FSC certified you are not yet taking advantage of the competitive edge it can provide, and the opportunity to be a leader in your sector. Looking ahead to the next 20 years our commitment is to make sure that to Choose FSC is no longer just an option – it is good business for our certificate holders.



A handwritten signature in blue ink, reading 'Kim Carstensen'.

Kim Carstensen
FSC Director General

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Key findings

The FSC Global Market Survey was conducted in June-July 2014. A total of 3,656 FSC certificate holders from 95 countries completed the survey in 2014, representing 13% of all 27,893 certificate holders with valid addresses.

FSC-certified products are in demand

CLIENT DEMAND IS THE KEY DRIVER FOR FSC

The main reasons for new certificate holders to become FSC-certified are economic; clients and markets are demanding FSC certification.

REACHING POTENTIAL AND EXISTING CLIENTS AND MARKETS WITH FSC

The most common reasons for remaining FSC-certified are potential and existing clients and markets, and when FSC certification is a part of sustainability strategy.

INCREASING IMPORTANCE OF HAVING FSC CERTIFICATION

The perceived relevance of FSC certification is still increasing in many industries. Nearly half of certificate holders (49.2%) find FSC increasingly relevant in their industry, while 36.5% that its relevance remains steady.

CREDIBLE ORGANIZATION

FSC is considered a credible organization by 89.3% of certificate holders

Becoming FSC-certified adds value to your business



It's easier than ever before to source FSC-certified materials

SOURCING FSC: SUPPLY INCREASES ACROSS MARKETS

According to the survey, supply of FSC-certified products has improved in all claim categories.

PRODUCTS AND MATERIALS ON THE MARKET

Paper, print materials, timber, and logs are the most frequently sold and bought FSC-certified products and materials.

GROWING DEMAND

Overall demand continues to grow, with the majority of certificate holders planning to increase their sourcing of FSC-certified materials.

20 years of growth

29,412

**FSC
certificates
worldwide**

At the time of the Global Market Survey (June 2014), there were **29,412 FSC certificates worldwide**, 4% of which were Forest Management (FM) certificates and 96% Chain of Custody (CoC) certificates.

112

countries

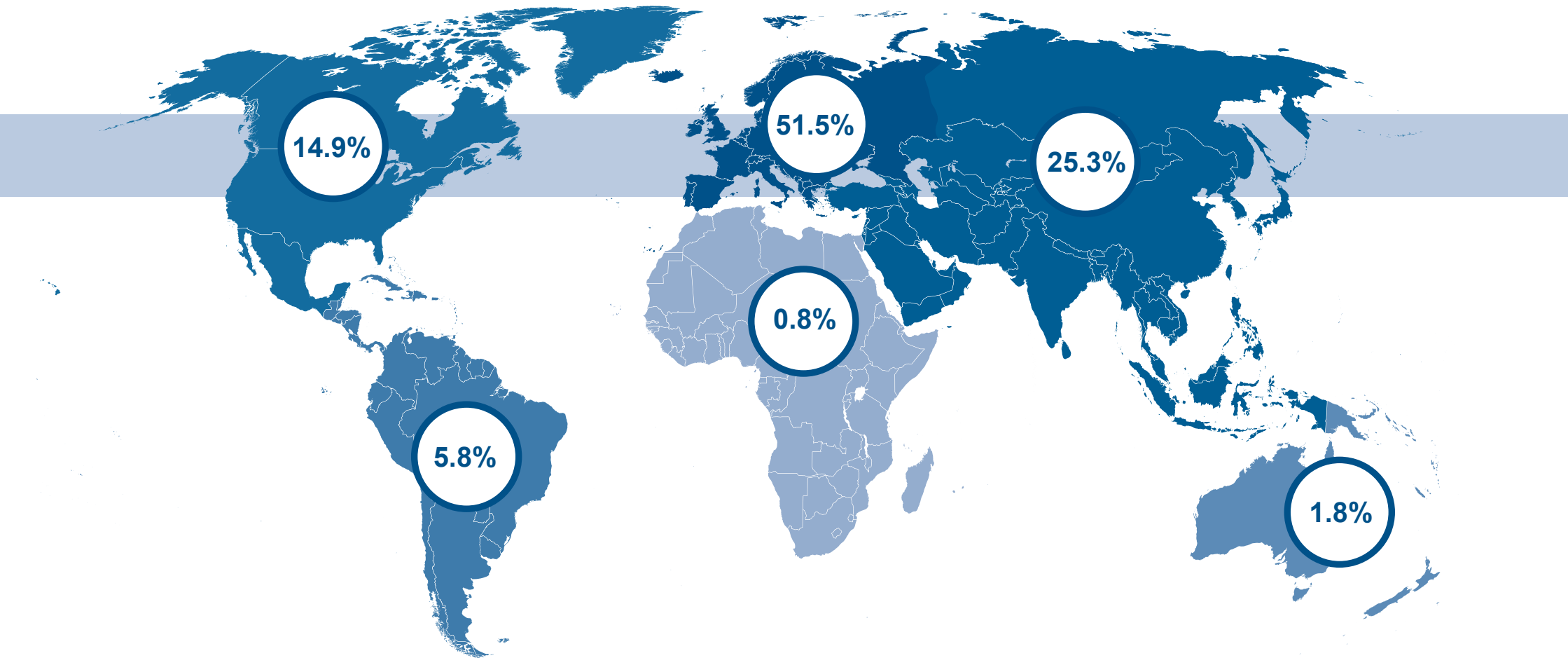
FSC has grown since the previous survey in 2012, when there were 25,957 certificates in 80 countries. In 2014, FSC certificate holders were based in **112 countries**. The majority of FSC certificate holders (51%) across all sectors were located in Europe. Large numbers were also based in Asia – home to the majority of certificate holders in the paper production sector – and North America. 89.6% of FSC certificates were single certificates, 8.5% multisite certificates, and 1.8% group certificates.

43

**Network
Partners**

With **43 Network Partners** around the world, we are working to promote responsible forest management and to bring FSC-certified products and materials from forests to consumers.

FSC certificate holders worldwide



FSC-certified products are in demand

CLIENT DEMAND IS THE KEY DRIVER FOR FSC CERTIFICATION

As more consumers insist on buying and using environmentally responsible and sustainable products, businesses are meeting demand through FSC certification, and finding that it opens up even more markets to them in the process.

In a world increasingly concerned with where its products come from, businesses will continue to see the benefits of FSC certification year after year. Nearly 97% of certificate holders that have plans for their certification intend to maintain FSC certification in the future because of the value it adds to their business.

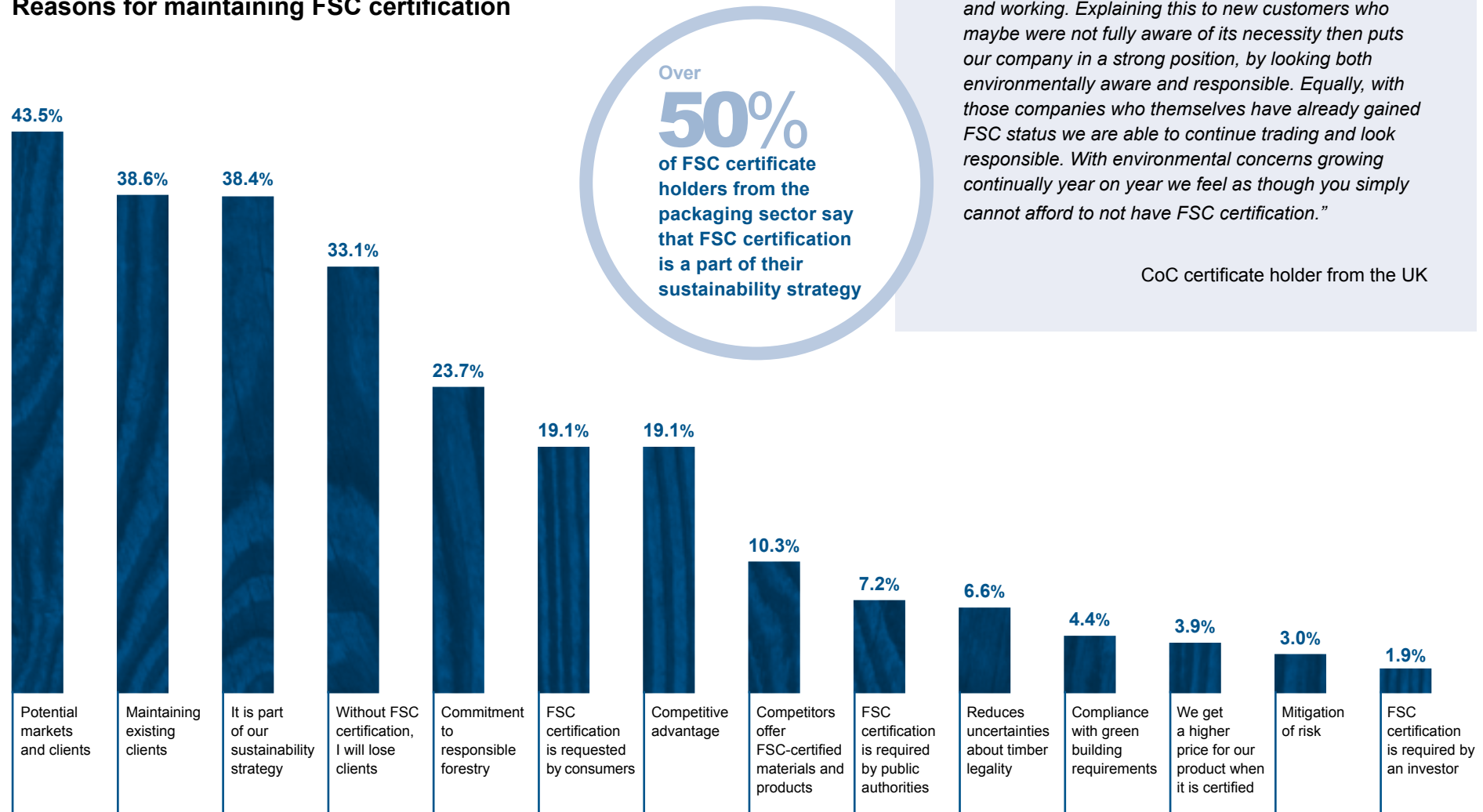
Reasons for becoming FSC-certified

52.5%

of new FSC certificate holders say that client demands are the reason for them to become FSC-certified.

Other common reasons include improved market access and economic advantage/competitive advantage.

Reasons for maintaining FSC certification



Responses from FSC certificate holders that have been certified for more than a year. Multiple responses possible. n=2,623.

FSC'S RELEVANCE CONTINUES TO GROW

Sustainability is more than a trend, and it's vital for a successful business to be forward thinking and remain relevant in increasingly crowded markets. Whether it's the family dining table, the common milk carton, or the humble paperback, consumers want to know that their wood and paper products have been sourced responsibly – which is why nearly 50% of all FSC certificate holders have seen an increase in the relevance of FSC in their sector, and 37% state that relevance has remained steady.

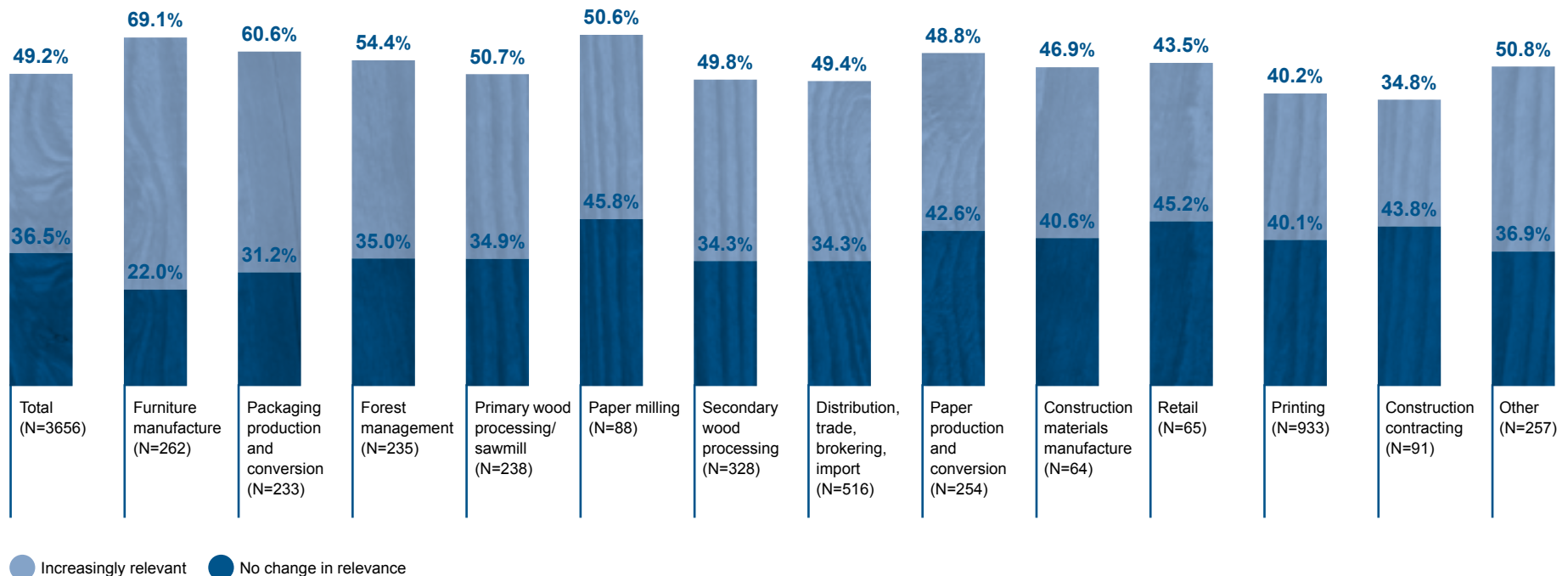
In South and Central America,
73.5%
of FSC certificate holders think FSC is increasingly relevant in their sector

"FSC allows us to differentiate ourselves and to reach niche markets that values the commercialization of timber that comes from responsible managed forests. At the same time, it gives us standards and tools that promote the order and efficiency of our processes."

Maderacre,
a FSC certified forest
concession in Peru



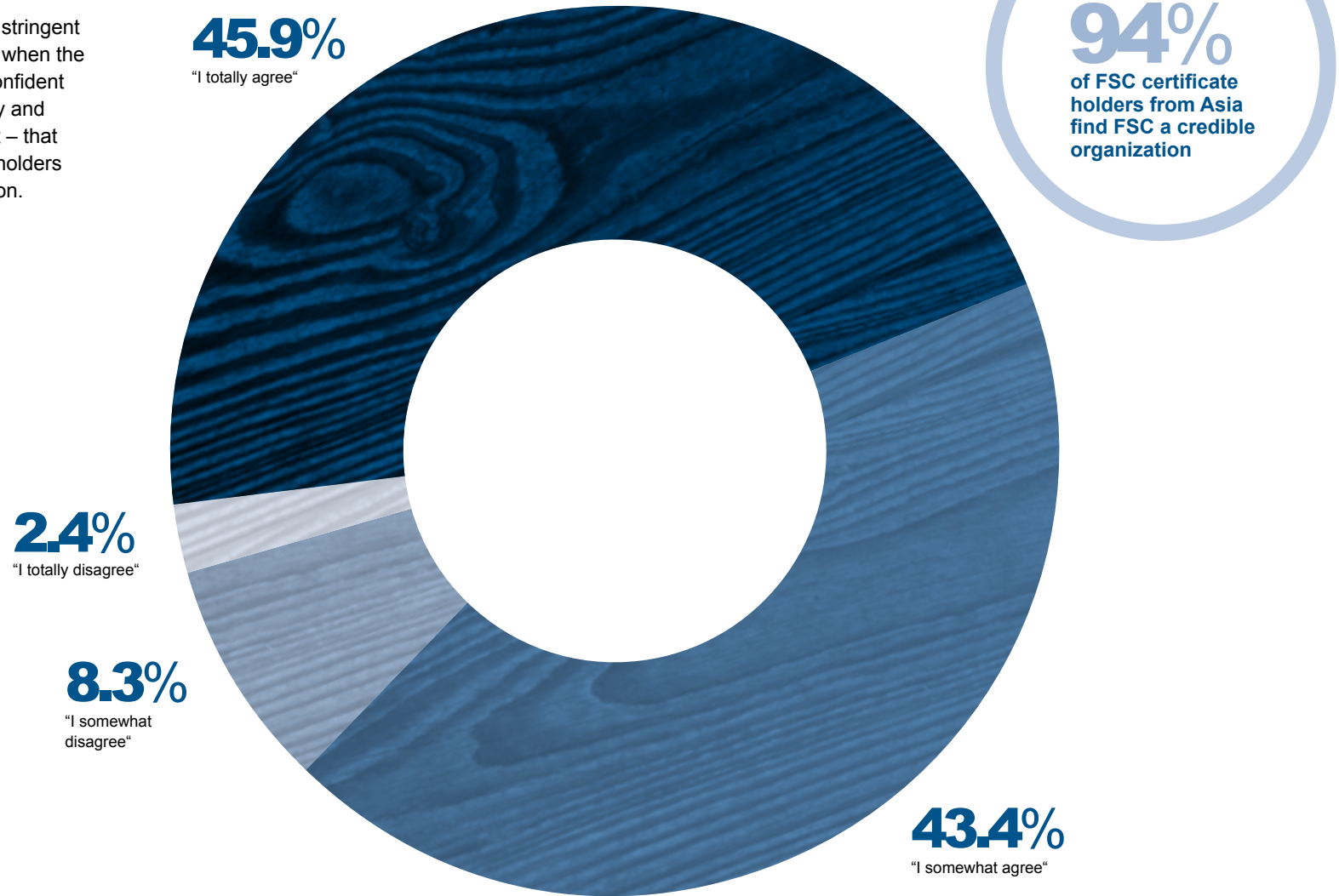
Perceived relevance of FSC certification by sector



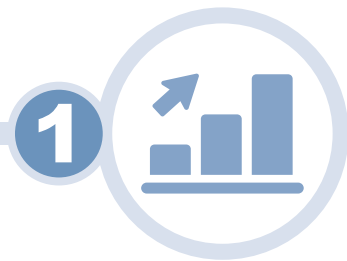
WORK WITH A CREDIBLE ORGANIZATION, WORK WITH FSC

Credibility is at the core of FSC. FSC's stringent processes and procedures ensure that when the FSC label is used, customers will be confident that they are getting an environmentally and socially responsible material or product – that is why close to 90% of FSC certificate holders agree that FSC is a credible organization.

FSC is a credible organization



Becoming FSC-certified adds value to business



81.5%

**label
value**

The FSC label adds value

The FSC label adds value to the products of 81.5% of FSC certificate holders

(n=3364)



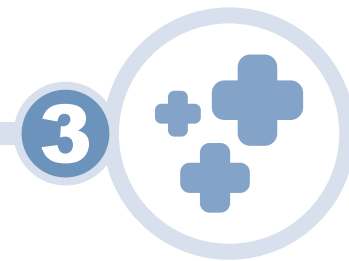
84.9%

**social
responsibility**

FSC supports corporate social responsibility communication

FSC helps 84.9% of certificate holders communicate their corporate social responsibility strategy

(n=3264)



90%

**positive
image**

FSC certification creates a positive corporate image

FSC certification helps create a positive corporate image for 90% of certificate holders

(n=3394)

"The results are in line with our own market research, which shows a growing recognition of the FSC label in all countries. We also see an increased interest from our customers in using the FSC label on their packages."

Lena Dahl,
Global Environment Manager in Tetra Pak



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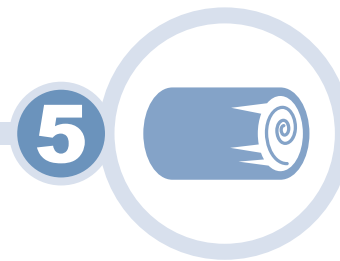
67.8%

**consumer
awareness**

Consumer awareness of FSC is increasing

In the view of 67.8% of certificate holders, consumer awareness of the FSC label is increasing

(n=3210)



79%

**timber
legality**

FSC certification is seen as proof of timber legality

The clients of 79% of certificate holders see FSC certification as proof of timber legality

(n=3057)



78.9%

satisfaction

FSC certification brings satisfaction

78.9% of FSC certificate holders are satisfied with their FSC certification

(n=3383)

It's easier than ever before to source FSC-certified materials

SOURCING FSC: SUPPLY INCREASES ACROSS MARKETS

The 2014 results suggest that the supply situation has improved for FSC-certified products in all claim categories. In 2014, respondents answered questions about supply of products they purchase for each claim category, whereas in 2012 they responded to questions about supply of the main product they purchase for each claim category. Overall, in 2014, a higher proportion of respondents than in 2012 reported that FSC-certified products were easy to source, indicating that the supply of FSC-certified products and materials in the market is growing.



Improvement of supply, 2012–2014*

		2012	2014
FSC100%	Easy to source	51%	59%
	Difficult to source	49%	41%
FSC Mix	Easy to source	76%	86%
	Difficult to source	24%	14%
FSC Recycled	Easy to source	69%	76%
	Difficult to source	31%	24%
FSC Controlled Wood	Easy to source	63%	75%
	Difficult to source	37%	25%

* % of those who buy products with the claim



FSC CLAIMS

FSC-certified products are sold with an FSC claim on the invoice. These claims identify the FSC-certified and/or reclaimed content of a product.

FSC 100%

For items carrying an FSC 100% claim, all wood or other forest products they contain comes from FSC-certified forests.

FSC MIX

FSC Mix products contain at least 70% FSC-certified virgin or post-consumer content.

FSC RECYCLED

FSC Recycled contains at least 85% post-consumer material.

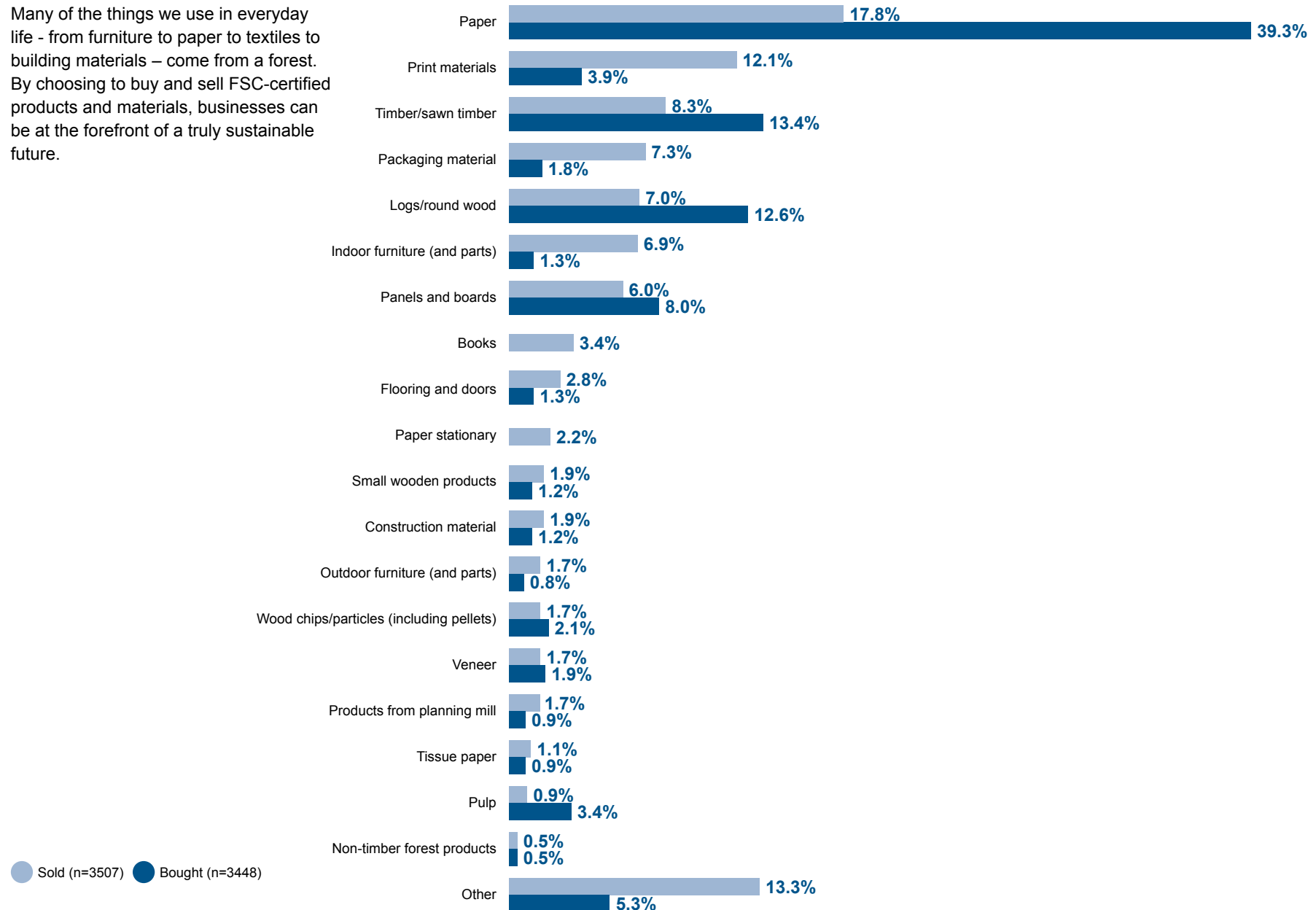
FSC CONTROLLED WOOD

FSC Controlled Wood is not FSC-certified, but it comes from controlled sources and can therefore be mixed with FSC-certified wood in products with the FSC Mix label products.

BUYING AND SELLING FSC

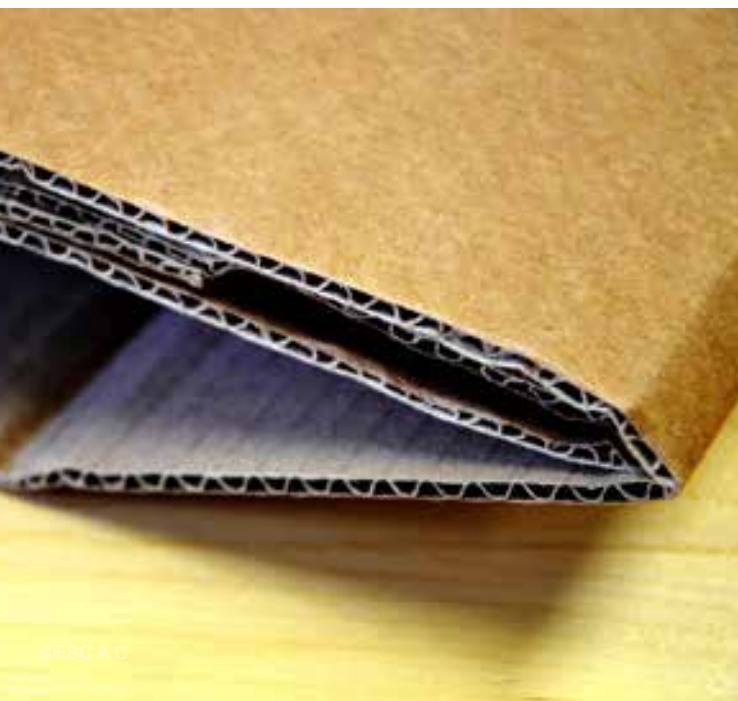
Many of the things we use in everyday life - from furniture to paper to textiles to building materials – come from a forest. By choosing to buy and sell FSC-certified products and materials, businesses can be at the forefront of a truly sustainable future.

Most commonly bought and sold FSC-certified products





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PAPER

is the most commonly bought FSC-certified product by companies in the printing (89.3% of certificate holders in the sector), packaging production and conversion (66.2%), and paper production and conversion (66.2%) sectors.

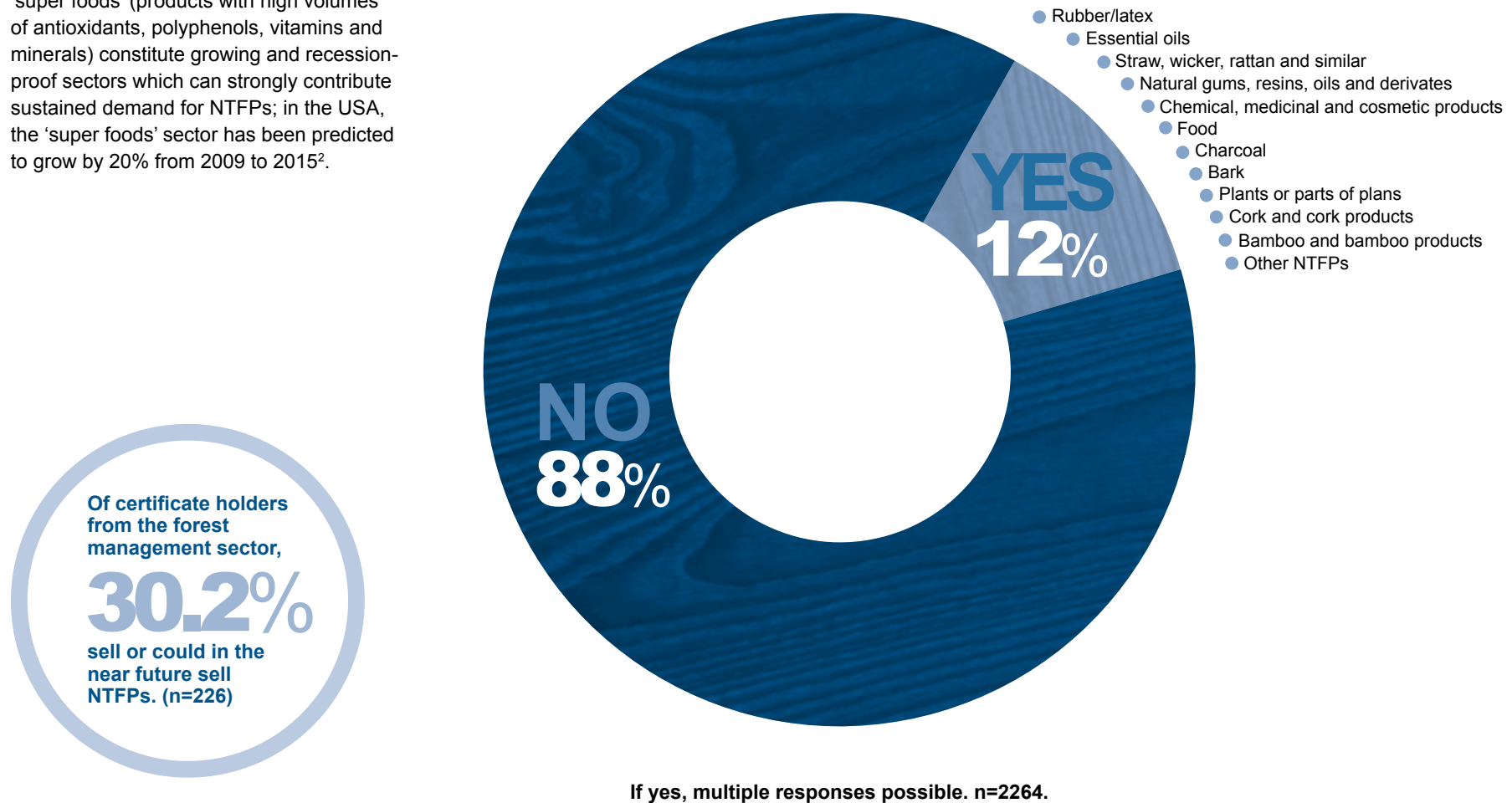
The world paper industry is going through a transition phase, with the graphic paper subsector suffering heavily from decreasing demand, while demand for packaging-grade paper is rising more and more due to the constantly increasing demand for online shopping. Companies increasingly require sustainable and environmentally friendly packaging¹.

¹ UNECE (2014). Forest Products Annual Market Review, 2013-2014.

FSC-certified tropical hardwood products are purchased by 12.7% of certificate holders (n=3456). By sector, certificate holders who buy tropical hardwood products are mostly located in construction contracting (71.9%), construction materials manufacture (32.1%), distribution, trade, brokering and imports (23.8%), and secondary wood processing (23.8%).

Global demand for NTFPs is increasing, mainly thanks to growing consumption – especially industrialized countries – of natural/organic products in sectors like cosmetics, foodstuffs, and pharmaceuticals. For example, dietary supplements or ‘super foods’ (products with high volumes of antioxidants, polyphenols, vitamins and minerals) constitute growing and recession-proof sectors which can strongly contribute sustained demand for NTFPs; in the USA, the ‘super foods’ sector has been predicted to grow by 20% from 2009 to 2015².

Does your company sell, or could your company in the near future sell, non-timber forest products (NTFPs)?



² UNEP. (2013). Green Economy and Trade – Trends, Challenges and Opportunities. <http://www.unep.org/greeneconomy/GreenEconomyandTrade>

GROWING DEMAND

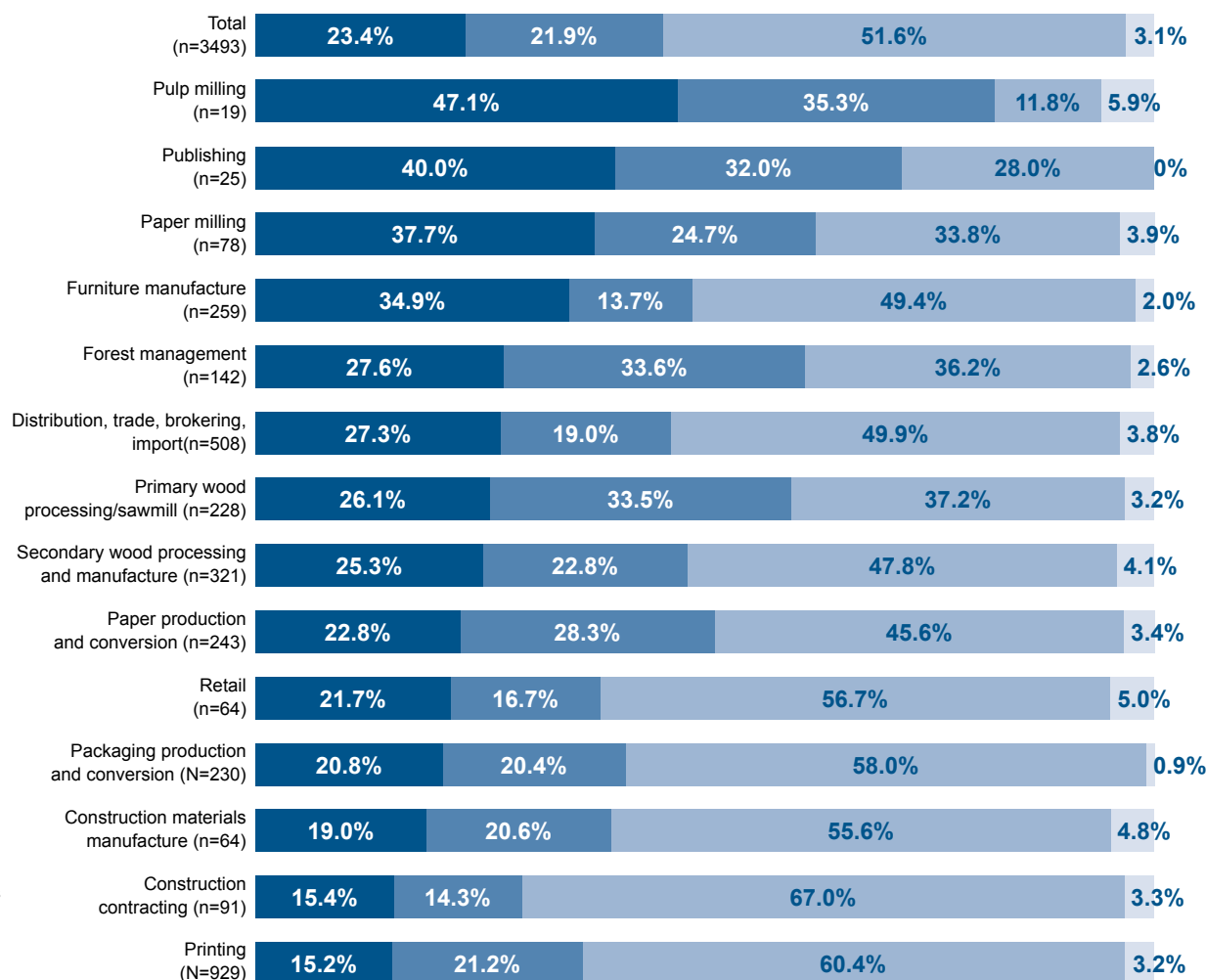
The survey results suggest that most FSC certificate holders will continue to increase their sourcing of FSC-certified materials, indicating that overall demand for FSC-certified materials will continue to increase.

In general, the market for certified materials in the building and construction industry is sustained by public procurement regulations, particularly in Europe and the USA. According to recent research, demand for green building materials in the USA is expected to have grown annually by 11% between 2013 and 2017 (up to USD 86.6 billions), with structural products growing fastest³.

Public and private attention to sustainable sourcing is increasing in emerging markets in the construction sector, such as Turkey and the Balkans, and demand for green construction materials is expected to grow in these areas.

- We plan to buy more FSC-certified materials and products
- We plan to buy about the same amount of FSC-certified materials and products
- Depends on market demand
- We plan to buy less FSC-certified materials and products

Plans for buying FSC-certified materials over the next 12 months compared to the last 12 months



³ Freedonia Group. (2013). Green Building Materials.
<http://www.freedoniagroup.com/industry-study/2995/green-building-materials.htm>.

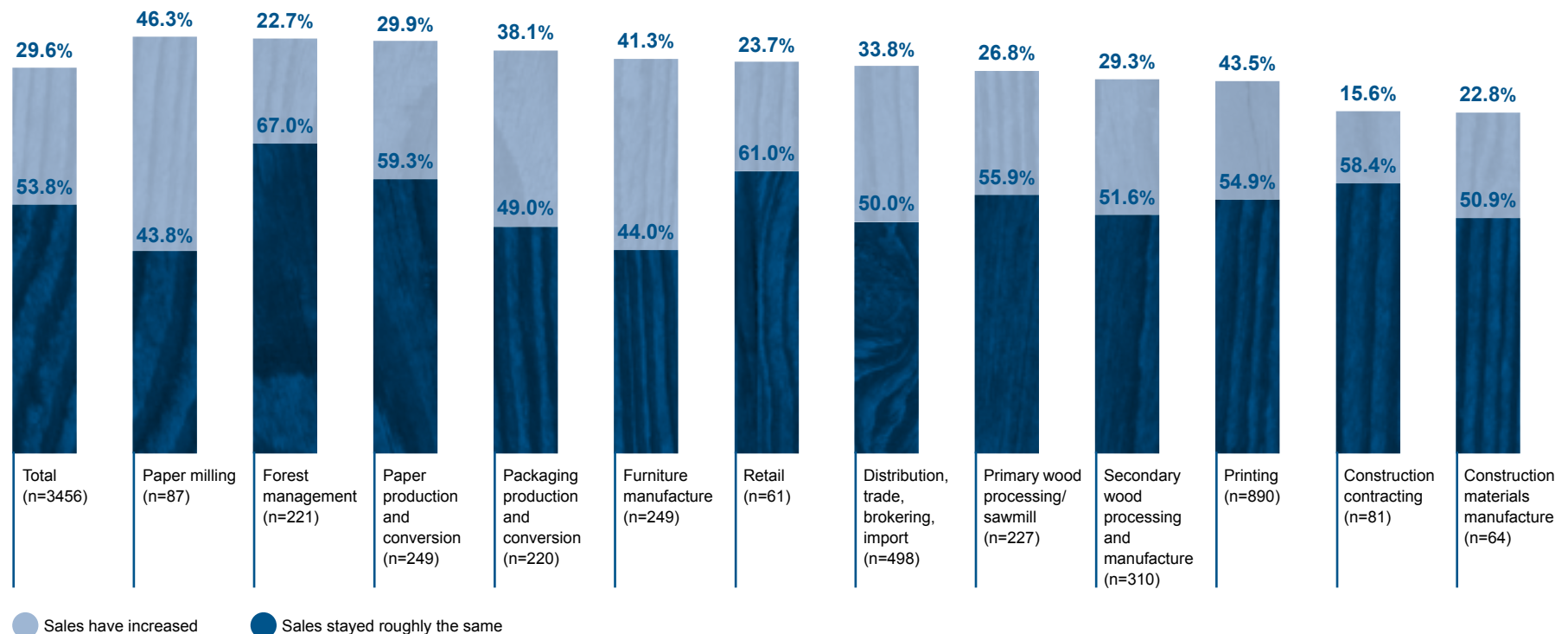
SALES OF FSC-CERTIFIED PRODUCTS INCREASING

In the twenty years since FSC was established, an ethical idea has been transformed into a globally recognized, credible, and trusted brand in the market.

Steady or increased sales of FSC-certified products between July 2013 and June 2014 were reported by 83.4% of FSC certificate holders. The sectors with highest share of FSC certificate holders reporting increased sales were paper milling (46.3%), furniture manufacture (41.3%), and packaging, production and conversion (38.1%).

These figures are in line with the increasing attention being paid to sustainable sourcing by companies in these sectors, due to growing awareness of environmental issues among customers. In the paper industry, for example, the business benefits of certification are evident and strongly related to improvements in corporate public image.

Sales of FSC-certified products within the past 12 months





Methodology

OBJECTIVE

The main objective of the survey was to seek the views of certificate holders and obtain market information from them to guide FSC's strategic development.

SURVEY

The survey was conducted online by the independent research institute UZBonn, based at the University of Bonn, Germany. The survey was sent to certificate holders in June 2014.

The FSC Global Market Survey has been conducted four times before – in 2009, 2010, 2011 and 2012. The 2014 survey report refers to the results of the 2012 report where applicable.

Previous survey reports can be found on our website: <https://ic.fsc.org/gms>

GROUP AND MULTI-SITE CERTIFICATES

The sample consisted of each valid certificate for which a valid email address was provided. In the case of group and multi-site certificates, the group or multi-site manager was contacted. In cases where there were multiple contact persons for a certificate, the first contact person on the list was contacted.

LANGUAGES

The survey was conducted in 14 languages: Brazilian Portuguese, simplified Chinese, Dutch, English, French, German, Italian, Japanese, Korean, Polish, Portuguese, Russian, Spanish and Vietnamese.

DATA PROTECTION

Participation in the survey was on a voluntary basis, and the data FSC received from UZBonn was anonymized, unless the respondent explicitly agreed to waive anonymity.

RESPONSE RATE AND PARTICIPATION

PROFILE OF THE RESPONDENTS

A total of 3,656 FSC certificate holders completed the survey in 2014, representing 13% of all 27,893 certificate holders with valid addresses.

BY SECTOR

The respondents were asked to identify which sectors they were active in from a list provided.

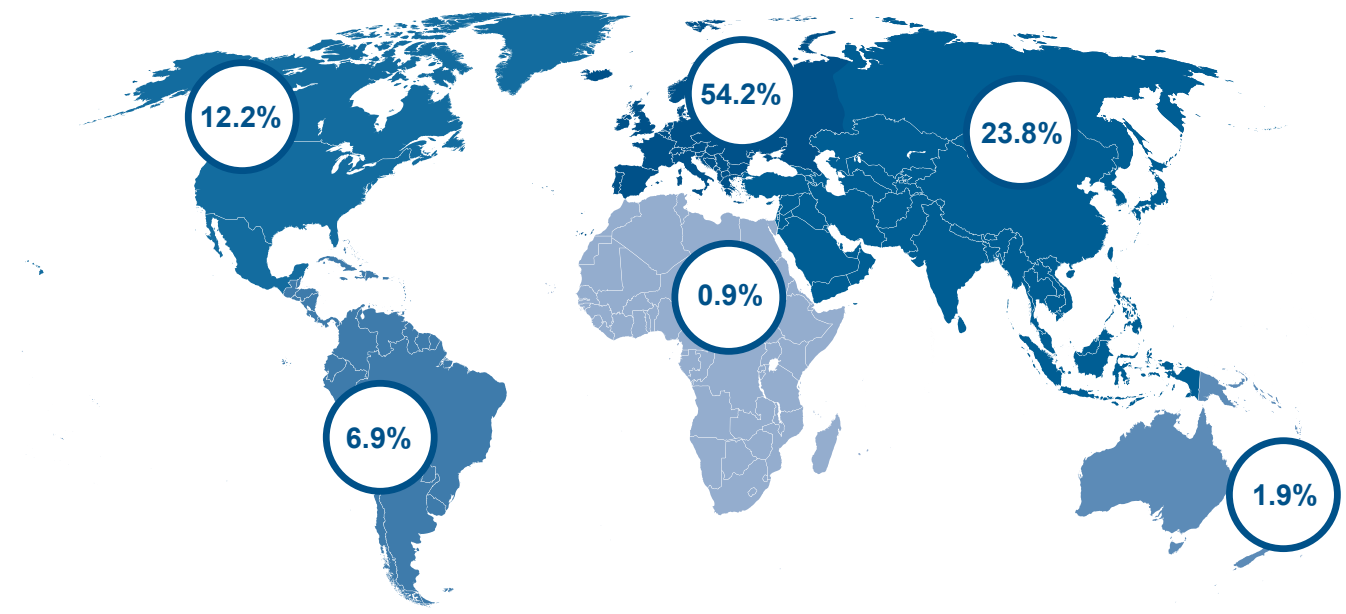
Sector	No. of respondents	Share of respondents
Printing	1051	29.1%
Distribution, trade, brokering, import	621	17.2%
Secondary wood processing and manufacture	508	14.1%
Primary wood processing/sawmill	400	11.1%
Paper production and conversion	354	9.8%
Packaging production and conversion	348	9.6%
Furniture manufacture	339	9.4%
Forest management	330	9.1%
Paper milling	123	3.4%
Retail	122	3.4%
Construction materials manufacture	121	3.3%
Construction contracting	115	3.2%
Publishing	101	2.8%
Pulp milling	65	1.8%

* Multiple responses possible. n=3614.

BY REGION

Survey participants were based in 95 different countries.

Survey respondents worldwide



BY CERTIFICATE TYPE

The survey was completed by 3,656 respondents, of whom 3,462 held a CoC certificate, 184 an FM/CoC certificate, 3 an FM certificate, and 7 a controlled wood/FM certificate. While 95% of respondents worked for CoC-certified companies, 5% worked for FM/CoC-certified companies. Less than 1% came from controlled wood/FM- or FM-certified companies. Single certificates were held by 85.6% of respondents, multisite certificates by 11.9%, and group certificates by 2.6%. Overall, there were no large changes in distribution across certificate types since 2012.

BY COMPANY SIZE

Based on sales of forest products, 75.9% of all FSC certificate holders at the time of the survey were medium-sized companies, 18.7% small companies, and 5.5% large companies.

Of those certificate holders who responded to the survey, 77% were from medium-sized companies, 12% from small companies and 11% from large companies. The share of respondents from large and medium sized companies was larger than in 2012.

FSC CERTIFICATES

FOREST MANAGEMENT (FM) CERTIFICATION

confirms that a specific forest area is being managed in line with the FSC Principles and Criteria. The certificate is issued to a forest manager or owner.

FOREST MANAGEMENT/CHAIN OF CUSTODY (FM/COC) CERTIFICATION

applies to operations with FM certification which sell FSC-certified material to customers, providing assurance that the material is certified.

CHAIN OF CUSTODY (COC) CERTIFICATION

applies to manufacturers, processors, and traders of FSC-certified forest products. CoC certification verifies that FSC-certified material is identified or kept segregated from non-certified or non-controlled material throughout the production process.

CONTROLLED WOOD (FM/CW)

allows organizations to avoid categories of wood considered unacceptable to FSC. FSC Controlled Wood can only be mixed with FSC-certified wood in labelled FSC Mix products.





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