Looking to the Future...
“Our involvement in FSC is about ... an international responsibility to support a system that can make a true difference for the world’s forests.”

Olof Johansson, Director, Sveaskog

“FSC has the highest environmental standard for forest management of any certification system in the world.”

Monty Hummel, President, World Wildlife Fund Canada

“B&Q recognizes that FSC currently has the best available standards and certification procedures and so will only buy products certified under the FSC scheme.”

From the B&Q timber purchasing policy

“The greatest advantage of the FSC certification process is knowing that we are doing things the right way. We are so convinced that this is the way to go, that we will continue until we achieve a ‘certified country’.”

Cristobal Roda, President, Roda Industrial Group, Bolivia

“We saw the possibility of giving our forest workers decent conditions in forestry by becoming members of FSC, because FSC is not just looking after environmental interests, it also looks after the workers.”

Inge Johansson, Swedish Forest and Woodworkers Association, WWF interview August 2002

Figures in this publication are accurate as of July 2004.

Medicinal plants from the Selva Misionera forest in NE Argentina. (Photo: Aníbal Parera)

Photo: FSC Working Group Germany
Founded in 1993, the Forest Stewardship Council is an independent, membership-based organization that brings people together to promote responsible management of the world’s forests through forest management standards, an accreditation/certification system and trademark recognition.

FSC’s mission is to promote environmentally appropriate, socially beneficial and economically viable management of the world’s forests. As we look to the future, this mission remains as important as ever.
Forest Standards:
Helping people find answers for responsible forest management

FSC provides the forum for people with different interests to discuss, debate and resolve forest management issues in their country and worldwide. Representing a diverse range of interests, balanced groups of stakeholders develop FSC national and regional standards that describe what responsible forest management means in their country or region.

FSC forest stewardship standards are based on the internationally agreed 10 Principles for Forest Stewardship. The standards are developed at the national level by FSC national initiatives. Each national initiative adapts the FSC Principles and Criteria to their country by adding indicators and means of verification. Once accredited by FSC, forest stewardship standards are recognized throughout the FSC global network by all FSC accredited certification bodies, certificate holders and market partners in over 70 countries.

Accreditation:
Maintaining FSC standards throughout the network

FSC operates an accreditation program to accredit certification bodies, national initiatives and national forest stewardship standards. This program, based on international norms, verifies compliance with FSC requirements.

Certification bodies accredited under this program evaluate forest operations around the world. Forests that meet FSC’s forest stewardship standards, and forest product operations that meet FSC chain of custody standards, are awarded FSC certification and are licensed to use the FSC trademark.

Trademark & Label:
Providing quality assurance to retailers and consumers

The FSC product labeling system gives consumers and companies independent third-party assurance about the products they are buying. Products labeled with the FSC logo and trademark enable responsible retailers and consumers to recognize and support responsible forest management.

Results

- 21 accredited forest stewardship standards
- 45 million hectares of forest certified to FSC standards
- 644 Forest Management certificates in 62 countries

Results

- 13 accredited certification bodies which also work through local affiliates and auditors in more than 17 economic ‘Northern’ countries and 31 ‘Southern’ countries.
- 34 FSC National Initiatives

Results

- Over 10,000 FSC certified products available worldwide
- Over 3200 certified manufacturers in more than 65 countries.
... the Challenge continues.

Looking back at FSC’s first ten years, getting people to talk, listen and develop solutions to improve forest practices has been an important and lasting achievement. Along the way, we have built a global organization active in more than 70 countries. But the next ten years will be more challenging than the first. We must continue to demonstrate that we are improving the management of the world’s forests.

The credibility of FSC is our cornerstone. We must broaden our outreach, strengthen our standards and accreditation systems and firmly position FSC certified products in the market. This means clear, targeted strategies for promoting our brand and finding the resources to support these strategies. The recognition of FSC certified products in the market place must drive our performance.

In the forest, we need to better involve our social stakeholders – forest workers, indigenous peoples, communities and small-scale forest owners – and work to demonstrate strong social and environmental outcomes from FSC certification. Deforestation and loss of biodiversity have continued over the past ten years. FSC has a role in changing this situation.

FSC must continue to grow. We must do this in a way that continues to earn the respect of people we work with: members, national initiatives, environmental organizations, forest communities, indigenous peoples, forest companies and retailers, certification bodies and auditors, and certificate holders. We need to make sure our objectives are shared. That means we need a strong, transparent and accountable organization.

FSC has forged new ground by bringing people together ‘because forests matter’. The next ten years will be about moving from youthful enthusiasm to a mature and systematic global network achieving its mission and objectives. The relationships we have with people who care about forests will be more important than ever.

Looking forward to the next decade,

David Nahwegahbow, Chairman, FSC Board of Directors
Heiko Liedeker, Executive Director
BUILDING A GLOBAL NETWORK

FSC International Center
The FSC International Center was established in Bonn, Germany in 2003 as part of FSC’s decentralization strategy to improve services and outreach around the world. FSC’s global network expanded to include four Regional Offices serving Latin America, Europe, Africa, and Asia Pacific.

North America – focused on standards
Five new standards were approved in 2003 by the Board of Directors of FSC US and FSC Canada following extensive stakeholder consultation. The number of US states covered by FSC standards now stands at 48.

The Regional Forest Certification Standards for British Columbia (BC), Canada were granted preliminary accreditation. Preliminary accreditation allows standards to be introduced into the field while stakeholders have time to resolve outstanding issues.

Latin America – developing a regional strategy
Latin America is the strongest tropical forest region for FSC, and is an example of the positive impact FSC can have in the tropics. Brazil led the world in 2003 in

North America
- Number of National Initiatives: 2
- Area certified to FSC standards: 9,403,713 hectares
- Number of certificates: 122 Forest Management, 512 Chain of Custody

Latin America
- Number of National Initiatives: 7
- Area certified to FSC standards: 5,862,691 hectares
- Number of certificates: 168 Forest Management, 252 Chain of Custody

the number of new forest management certificates, with 12 new operations covering close to 300,000 hectares being certified to FSC standards. Guatemala and Venezuela also had considerable increases in certified forest. During 2004, the first FSC certified products trade fair in Latin America was held in Sao Paulo, Brazil.

Mr. Daniel Arancibia led the process to develop a regional office in Latin America. FSC National Initiatives in Latin America met in Peru in October 2003 to develop a regional strategy for fundraising, capacity building and communication.

Europe – building capacity and markets
Certification has grown rapidly in Eastern Europe, with 4.9 million hectares certified, 29 new forest management certificates and a 30% increase in chain of custody certificates. Certification capacity in Russia, the world’s largest forested country, increased following a national certification training course in

FSC certified forest
groups to establish FSC Working Groups and Contact Persons in the region, and developing national FSC forest stewardship standards.

Asia Pacific – collaboration and growth

FSC has had strong growth in the Asia Pacific region, with close to 100,000 hectares of forest newly certified to FSC standards, and a 58% increase in Chain of Custody certificates in the region during 2003. Japan and Sri Lanka had significant increases in certified forest area while Japan, China and Vietnam had the greatest number of new Chain of Custody certificates.

FSC has four National Initiatives in the region: Vietnam; Papua New Guinea; Australia and Japan. In China, the world’s biggest producer and consumer of forest products, the Chinese Forest Administration is actively working with FSC to develop standards and certification in the country – though currently this is outside of a formal National Initiatives structure. FSC is also collaborating with Indonesia’s LEI certification system where a Joint Certification Protocol and Memorandum of Understanding have recently been reaffirmed.

Mr. James Sandom was recruited as the Asia Pacific Regional Representative in July 2003, based in Thailand.

Africa – taking root in the continent

Certification of responsible forest management continues to increase in Africa. The area of certified forests increased 43% in 2003, with 498,527 hectares certified. Chain of Custody certificates increased 10%. The majority of certified forests and manufacturers in Africa are based in the Republic of South Africa.

Dr. Demel Teketay was recruited as Director for the Africa Regional Office. Priorities for the region include establishing the Regional Office in one of the countries in the Congo Basin, working with local

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Europe

- Number of National Initiatives: 17
- Area certified to FSC standards: 26,736,738 hectares
- Number of certificates: 271 Forest Management, 1,860 Chain of Custody

Asia Pacific

- Number of National Initiatives: 4
- Area certified to FSC standards: 1,801,907 hectares
- Number of certificates: 51 Forest Management, 457 Chain of Custody

Africa

- Number of National Initiatives: 4
- Area certified to FSC standards: 1,855,174 hectares
- Number of certificates: 32 Forest Management, 139 Chain of Custody

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In a world where jobs and local community needs frequently clash with conservation goals, forest companies such as SiyaQhubeka Forests (Pty) Limited in South Africa are proving that there is a better way to manage forest plantations and balance people, jobs and biodiversity.

Located at the border of the Greater St. Lucia Wetland Park, a World Heritage Site and one of Africa’s oldest reserves, SiyaQhubeka (FSC certificate code SGS-FM/COC-0870) has demonstrated that fifty years of traditional plantation management can be changed in a very short period of time by using FSC standards as a model of responsible forest management.

One change has been the positioning of a 4,000 hectare ‘eco-track’ buffer zone between the park, the commercial plantation areas, and the adjoining farm areas. The wetlands, hydromorphic soils and riparian areas included in the zone had been afforested by the previous managers, but now have been excluded from the commercial plantation area and will be rehabilitated back to wetlands and grasslands. The buffer zone also allows wildlife – including a herd of 40 elephants – access to additional habitat and greater freedom of movement.

Local job opportunities have increased in the region with 70 permanent jobs and activities such as silviculture, harvesting and transport outsourced to local enterprises.

SiyaQhubeka means “we are going forward together” in the Zulu language.

FSC certification took off in Japan in 2003 as FSC’s presence continued to grow in Asia. Forest management certificates tripled, and interest in FSC certified paper and construction material grew, reflecting increased consumer awareness in responsible forest products.

The number of FSC certified forests rose from four certificates in 2002 to 13 certificates covering more than 171 000 hectares. Small scale management is a common feature in Japan’s forests, which cover two thirds of its land area. There are 2.5 million household forest holdings, and 90% of these are less than five hectares.

Leading the growth in chain of custody certificates has been the paper sector, reflecting the increasing national demand for environmentally responsible paper products. Two thirds of the 76 chain of custody certificates issued in 2003 were for paper-related companies.

Although a small country in area, Japan has a considerable impact on the global forest market as one of the world’s leading importers of wood and wood fibre. Almost 45 per cent of the woodchip and wood pulp volume used by Japanese paper manufacturers, wholesalers and printing companies is imported.

To raise awareness of responsible forest practices in the home, an FSC certified house was constructed in Japan. Over 70% of Japan’s wood supply is used for housing and construction.

Eating forest practices in Japan. FSC certification is growing rapidly in Japan. (Photo: Soil Association)

Auditing forest practices in Japan. FSC certification is growing rapidly in Japan. (Photo: Soil Association)

To raise awareness of responsible forest practices in the home, an FSC certified house was constructed in Japan. Over 70% of Japan’s wood supply is used for housing and construction. (Photo: WWF Japan)
Great strides have been made in the US market for FSC certified paper, driven mostly by the increasing demand from major corporations and non-government organizations to use environmentally and socially responsible paper products.

In one year, the number of FSC chain of custody certified printers in the US grew from zero to seven. Among these printers was Quad/Graphics, the world’s largest privately owned printer of magazines and catalogues. In December 2003, Norm Thompson, a catalogue retailer based in Portland, Oregon, circulated 1.5 million copies of the first catalogue to be printed by Quad/Graphics on FSC-certified paper. On the paper retailer side, Kinko’s, a major documents chain store, announced it would stock FSC certified paper in each of its 1,200 locations across North America.

The future of FSC certified paper was strengthened by Canadian-based company Domtar committing to have its 8.9 million hectares of forestlands and its mills FSC certified. Domtar Inc, the third largest producer of uncoated free-sheet paper in North America, and WWF-Canada announced their collaboration for forest stewardship to ensure the long-term conservation of forests in North America.

The “green building” marketplace is driving demand for FSC certified products. The Leadership in Energy and Environmental Design (LEED™) program of the U.S. Green Building Council is the premier commercial building design guideline and third-party certification tool used in the US. FSC remains the only accepted certification for new wood materials under the LEED system. Incentives for companies to build using the LEED system include demonstrating leadership in environmental standards and qualifying for a growing number of local and state government incentives. LEED is so popular that there are currently more than 1,200 construction projects registered in the U.S. that intend to seek LEED certification.

US building developments include:

- Tembec and The Home Depot announced an agreement that will increase the amount of FSC certified structural lumber in stores across North America.
- The Confederated Tribes of Warm Springs, Oregon, earned FSC certification for more than 178,000 hectares of land, providing a boost to products available to the green building market, particularly in the Pacific Northwest.

With support from the forest industry, environmental and social non-governmental organizations and Indigenous Peoples, a National Standard for forest management practices in the boreal forest was unanimously endorsed by the FSC Canada Board of Directors in December 2003. The boreal forest is the world’s largest forest ecosystem.

The [Canada boreal] standard provides Indigenous Peoples with an opportunity to work cooperatively with industry in a manner acceptable to them towards mutually agreed solutions in the forest.”

Jim Webb, National Aboriginal Forestry Association, Little Red River Cree Nation, FSC Canada Board member.
The Harry Potter craze touched FSC during 2003 as questions were raised about the number and origin of trees being harvested to print the bestselling books. J.K. Rowling and other authors have now requested recycled or FSC certified paper for their books. In Italy, the fifth Harry Potter book was printed on paper with 30% FSC certified content. Leading writers in the Netherlands and Canada have also committed to using FSC certified or recycled paper in their books.

Unprompted recognition of the Forest Stewardship Council (FSC) label rose to 33% among consumers in the Netherlands, according to a survey conducted in 2004 by FSC Netherlands and WWF as part of the “Save the forests, buy FSC timber” campaign.

Over half the respondents recognized the FSC logo when prompted with a list of different labels. The highest unprompted recognition was with 18 – 35 year olds, with 42% immediately recognizing the logo.

<table>
<thead>
<tr>
<th>Recognition of FSC Logo</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unprompted</td>
<td>1%</td>
<td>12%</td>
<td>21%</td>
<td>33%</td>
</tr>
<tr>
<td>Prompted</td>
<td>10%</td>
<td>24%</td>
<td>49%</td>
<td>62%</td>
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</tbody>
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The 2003 survey showed that consumers in the Netherlands knew about FSC through media commercials (57%). Television promotion was another major driver, with 29% of respondents learning about FSC through the Dutch TV program “Our House and Garden” (“Eigen Huis en Tuin”).

The 2004 annual campaign to promote FSC in the Netherlands was conducted in coordination with 30 companies, including major DIY retailers, timber importers and processors, and several non-governmental organizations.

The United Kingdom became the first country in the world to certify its entire state forests area to FSC standards when all Forestry Commission Woodlands were certified in 2001. This certification follows a nationwide trend of increased awareness about illegal timber and environmentally responsible products.

The certification recognizes the commitment of the Forest Enterprise, the branch of the Forestry Commission that owns and manages woodlands, to restoration of heathlands and former ancient woodland sites and diversification of plantations on 800,000 hectares in England, Scotland and Wales.
A two year initiative involving representatives of small forest owners, non-timber forest producers and practitioners of low intensity forestry, has worked to find and implement practical solutions to the problems faced by small forest operations and low intensity forest operations in accessing and retaining FSC forest management certification.

Three key outcomes of this initiative were:

1. Streamlined certification procedures: These procedures were developed to reflect the needs and capabilities of smaller and low intensity managed forest operations (SLIMF).

2. Guidance for FSC standards groups on developing indicators and verifiers that are shorter, more simply worded and more appropriate for SLIMF managers.

3. Improved communication with small and low intensity forest managers: Working with National Initiatives, FSC International Center produced general communication material about FSC and small/low intensity operations.

Field Tests

The SLIMF ‘eligibility criteria’ (what is a ‘small’ forest, and what is a ‘low intensity’ forest), and the streamlined certification procedures were field tested to ensure they were practical and feasible. Eight field trials in a variety of forests provided feedback and enabled FSC to modify and strengthen the procedures.

Governments recognize FSC as a means for measuring good forest management and for identifying legal production, are incorporating FSC certification into their national requirements for forest management.

In Bolivia, the government now accepts third-party forest certification as an equivalent to government audits, enabling FSC certified forest concessions to forego statutory inspections for compliance with national management standards. In Guatemala, FSC certification is required for the retention of forest management concessions in the Mayan biosphere reserve, and in Mexico, the national government offers subsidies for certification evaluations.
April
Meeting in California, USA of a group of timber users, traders and representatives of environmental and human-rights organizations who identified the need for an honest and credible system for identifying well-managed forests as acceptable sources of forest products: the Forest Stewardship Council.

May
First draft of Forest Stewardship Charter (This eventually evolved into the FSC Statutes and By-Laws).

July
First draft of the Forest Stewardship Standards (These eventually evolved into the FSC Principles & Criteria for Forest Stewardship).

August
First draft of the Plantations Principle.

1 – 4 October
FSC Founding Assembly, Toronto, Canada, with the 7th draft of the FSC Principles & Criteria and 8th draft of FSC Charter. FSC Board of Directors elected.
First Forest Management certificates (Mexico) and Chain of Custody certificates (USA). These were later endorsed by FSC.

Summer
First issue of FSC Notes newsletter.

1991
1992
16 – 18 March
Meeting of FSC Founding Group in Washington DC. Produced a draft FSC Mission Statement and elected an Interim Board.

October
FSC Principles & Criteria agreed to through national consultations in eleven countries.

1993
1994
August
FSC Secretariat opened in Oaxaca, Mexico.

September
FSC Statutes and Principles & Criteria approved by vote of FSC Founding Members.

1995
1996
October
Percentage-based claims policy developed for products with less than 100% certified material.

1997

The friendly ‘checkmark and tree’ logo was not the first FSC logo. Tim Synnott, FSC’s Executive Director from 1994 to 2000 looks back …

“The first logo was a complex design with a grove of trees casting shadows in the shape of the world map. It was vaguely reminiscent of the ITTO logo. FSC was set back by several years in Tasmania, when I ended a presentation there in June 1995 with a slide of the logo, which of course did not include Tasmania.”

“Francis Sullivan of WWF said it looked like the creation of some Vermont hippies, a comment that offended the creators,
because it was dangerously near the truth. John Palmer described it as looking like a squashed fly.”

“The Board and I quickly realized that it was quite unsuitable for labels, so we commissioned Tristram Kent to design a new one in 1995, a process that took several months of refining and agreeing. The current logo was officially launched at an event in London on 21 February 1996. Very soon, the first labeled product was in circulation: the famous Sainsbury spatula. George White of Sainsbury managed to get there just before Alan Knight of B&Q …”

More label changes followed with the introduction of the ‘Percentage Based Claims’ policy in 1997 which identified the percentage of FSC material in products with less than 100% FSC content. Six years later, FSC’s labels are being revised to ensure that the FSC promise – “By supporting this product you are supporting the development of responsible forestry world wide” – remains honest and credible. Look for these new labels in 2004.

**February**
- 10 million hectares of FSC certified forests.

**April**
- First certified non-timber forest product (Chicle chewing gum).

**June**
- Second FSC General Assembly of Members, held in Oaxaca, Mexico.
- First book printed on FSC certified paper “A Living Wage” by Lawrence B. Glickman.

**December**
- Six forest stewardship standards endorsed in one year: Peru (2), USA, Brazil and Colombia (2).

**January**
- 80% of wooden products supplied by B&Q carry the FSC label.

**February**
- FSC International Center established in Bonn, Germany.

**December**
- 40 million hectares of FSC certified forests worldwide, with 10 million hectares certified in 2003 alone.

**October**
- FSC Social Strategy endorsed by FSC Board of Directors.

**November**
- Third FSC General Assembly of Members, held in Oaxaca, Mexico.

**December**
- Home Depot sales of FSC certified forests reach $250 million, up from $10 million in 1999.

**July**
- 45 million hectares of FSC certified forests

**September**
- 10th Anniversary Conference in Bonn, Germany.
FSC Members guide the direction of FSC activities by voting in the General Assembly (held every three years) and by electing the FSC Board of Directors. Each chamber (economic, environmental and social) and sub-chamber (north, south) have the same voting weight so all interests are equally represented in FSC.

618 FSC Members

Individual Members . . . . . . 253
Organization Members . . . . . 365

To become an FSC member, contact: membership@fsc.org

FSC Accreditation Annual Report: FSC surveillance audits are regularly carried out on all accredited certification bodies worldwide. A summary of the findings of all surveillance audits, including information related to Corrective Action Requests (CARs) and Recommendations, is available in the FSC Accreditation annual report. For a copy of this report please contact accreditation@fsc.org.
Principle 1:
Compliance with laws and FSC Principles
Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.

Principle 2:
Tenure and use rights and responsibilities
Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.

Principle 3:
Indigenous peoples’ rights
The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.

Principle 4:
Community relations and workers’ rights
Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.

Principle 5:
Benefits from the forest
Forest management operations shall encourage the efficient use of the forest’s multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

Principle 6:
Environmental impact
Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

Principle 7:
Management plan
A management plan – appropriate to the scale and intensity of the operations – shall be written, implemented, and kept up to date.

The long term objectives of management, and the means of achieving them, shall be clearly stated.

Principle 8:
Monitoring and assessment
Monitoring shall be conducted – appropriate to the scale and intensity of forest management – to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.

Principle 9:
Maintenance of high conservation value forests
Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests.

Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

Principle 10:
Plantations
Plantations shall be planned and managed in accordance with Principles and Criteria 1 – 9, and Principle 10 and its Criteria.

While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world’s needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.