



**FSC®
ANNUAL
REPORT
2021**



FSC ANNUAL REPORT 2021

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48 GLOBAL ACTIONS STRATEGY 1

48 GLOBAL ACTIONS

The Forest Stewardship Council has defined a set of actions for 2021 that were designed to move the organization towards achieving the ambition of the Global Strategy.

We are reporting against these actions to demonstrate the level of progress towards the Global Strategy.

ACTION 1: **MEMBERSHIP ENGAGEMENT**

- A total of 62 virtual membership events (with over 6,000 registrations) were held in preparation for the first virtual FSC General Assembly 2021. The event was very successful with over 800 participants, 10 plenary sessions, 24 chamber meetings, and 15 side meetings. The quorum was reached and nine motions were debated and voted on.



FSC® General Assembly
2021 -2022

Virtual 25 - 29 October 2021

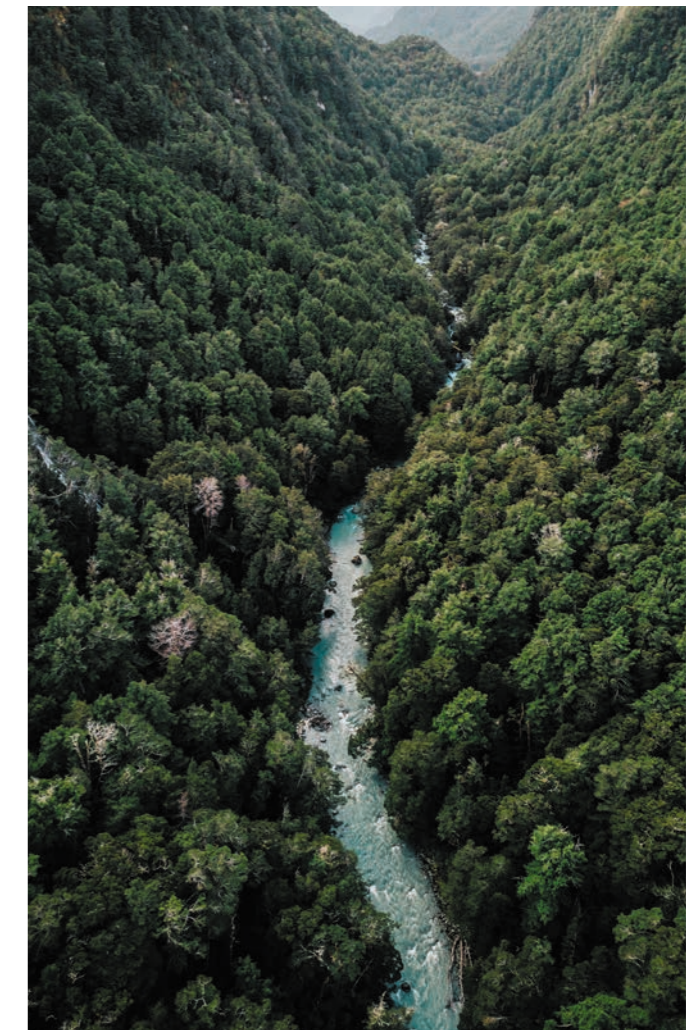
ACTION 2: **MEMBERSHIP ENHANCEMENT**

- A new member welcome kit was developed and two virtual inductions for new members were completed.
- A total of 48 new members joined: 14 to the environmental chamber, 10 to social, and 24 to economic.



ACTION 3: **CO-CREATION INITIATIVES**

- Focus Forests is exploring new dialogue methodologies to provide solutions for the stewardship of forests with exceptional social and environmental values. An informal reference group for this initiative was engaged and a member advisory group was established.
- Sustainable intensification advisory group continued its work, with a focus on defining shared value from intensification and on engaging the research community for genetic engineering safeguard proposals.
- The concept for a 'Restoration Toolbox' was finalized, with input from an external advisory group.



ACTION 4: INDIGENOUS PEOPLES' ENGAGEMENT

- Four Permanent Indigenous Peoples Committee (PIPC) regional representatives for Africa and two for Asia were elected and approved by the FSC Board for the 2022–2026 term. The PIPC advises the FSC Board on all issues related to Indigenous Peoples' involvement in FSC including policies, standards, organizational presence, certification, and forest sector engagement.
- The FSC Indigenous Foundation signed terms of collaborations with three regional indigenous networks representing Indigenous Peoples of 30 countries to collaborate on, among others, topics related to forests and Indigenous Peoples in all countries in the Central America and Africa regions. These are the Mesoamerican Alliance of Peoples and Forests, the Network of Indigenous and Local Populations for the Sustainable Management of Forest Ecosystems in Central Africa (REPALEAC), and the Indigenous Peoples of Africa Co-ordinating Committee (IPACC).



ACTION 5: INFORMATION TECHNOLOGY

- In 2021, the FSC members' voting applications, the Certification Bodies' Annual Administration Fee and the FSC General Assembly events registration portals (FSC connect modules) were launched. Additionally, the geographic information systems (GIS) portal and the blockchain beta were piloted.



ACTION 6: REQUIREMENTS ACCESSIBILITY

- A Proof of Concept for a Database of Standards was developed with the purpose of evaluating databases and interfaces that can manage, store, and publish FSC Policies and Standards.*
- *E.g.: a prospective certificate holder could ask and/or answer questions that bring the relevant certification requirements (clauses) into focus, providing relevant clauses and information of what FSC certification requires.



ACTION 7: CORE PROCEDURE REVISION

- The first public consultation was launched, and a white paper was developed and shared to inform the FSC membership about the objectives and ongoing efforts to streamline the normative framework.



ACTION 8: OUTCOME ORIENTATION

- Provisions for outcome orientation were included in the draft core procedure for the development and revision of FSC requirements (FSC-PRO-01-001). This procedure regulates the internal processes within FSC for developing and revising normative documents.



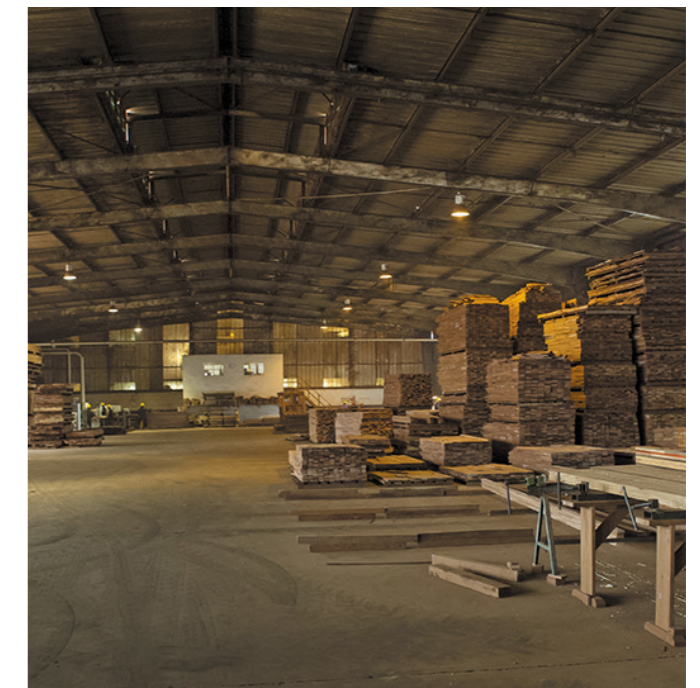
ACTION 9: RISK-BASED APPROACHES

- The first draft of the revised FSC-STD-20-007 standard was developed and publicly consulted. The objective of this standard is to clarify the principles to be followed by certification bodies when sampling forest management units and sites, and integrating the observations to come to a reliable certification decision.



ACTION 10: SUPPLY CHAIN VERIFICATION

- The FSC Blockchain information technology platform and data specifications were developed. A pilot was conducted in two supply chains in Ukraine and China: over 10,000 transactions were submitted and 90 per cent of companies activated their accounts.



ACTION 11: QUALITY DATA

- The forest management online data specification was completed with a data architecture for FSC forest management audit data capture and submission requirements. Additionally, the FSC Impact Dashboard, an online platform that provides stakeholders with a means of learning the effects of FSC certification based on scientific research, was launched and a proof of concept for the database of standards was developed.*
- *See Action 6 - Requirements Accessibility.



ACTION 12: GEOGRAPHIC INFORMATION SYSTEMS (GIS) TECHNOLOGY

- Geographic information systems – GIS Portal Version 2 – imagery and functions were implemented. The GIS Portal provides auditors of forest management-certified organizations the tools to target areas where they could focus their inspections during audits. The tools provide knowledge and objective measurements, and details of forest canopy change, water source locations, high-conservation areas, community, and Indigenous Peoples' proximity.
- The pilot programme with certification bodies' auditors was completed successfully.
- The forest vegetation analysis 2021 was launched and will be completed in 2022.

ACTION 13: SYSTEM INTEGRITY

- FSC announced its decision to disassociate from Korindo, with effect from 16 October 2021; Korindo's trademark licences with FSC were terminated.
- FSC announced its decision to end the disassociation from Austrian timber company, HS Timber Group (formerly known as Holzindustrie Schweighofer): The decision came after a 4-year programme to improve HS Timber Group's operations and resolve social and environmental issues.
- Two drafts of revised FSC Policy for Association outlining unacceptable activities for organizations associated with FSC were developed and publicly consulted; the new related remediation framework was publicly consulted for the first time.



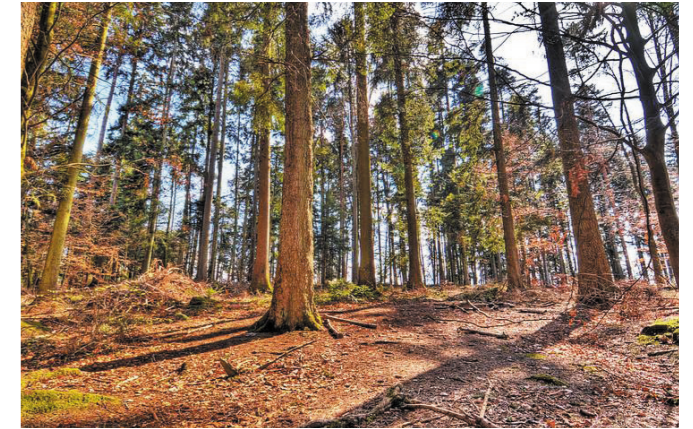
ACTION 14: EXPAND ECOSYSTEM SERVICES

- A road map for organizational, market, product, and technology development was completed and disseminated. Also, regarding the revision of the FSC Ecosystem Services Procedure, an impact demonstration and market tools will start in 2022 and should be concluded in 2024.



ACTION 15: CLIMATE-RELATED INDICATORS

- Implementation of the Gold Standard/International Social and Environmental Accreditation and Labelling (ISEAL) project and guidance documents have been finalized.
- The Greenhouse Gas Protocol (GHG): The Land Use guidance first draft was developed with input from FSC. The Greenhouse Gas Protocol is developing new guidance on how companies and organizations should account for greenhouse gas emissions and carbon removals in their greenhouse gas inventories. FSC is part of the Land Use working group of the GHG.
- There is continued collaboration with Verra through FSC's participation in Verra's Carbon Innovations Working Group.



ACTION 16: RESTORATION TOOLBOX

- The FSC Restoration Toolbox aims to leverage the tools and solutions currently available to create a restoration verification framework, which can reliably indicate when a forest is restored sustainably. An informal advisory group was established, and a concept note was finalized. As part of the Policy Working Group, there was engagement and participation in the Global Partnership for Forest Landscape Restoration (GPFLR).



ACTION 17: FOCUS FORESTS

- A green paper has been developed for landscape dialogues in collaboration with a research consortium. A landscape dialogue is a multi-stakeholder tool for solving difficult issues. It seeks to find supported solutions to complex problems, where different interests are conflicting among stakeholders. Proposals were accepted for a landscape dialogue in tropical environments.

ACTION 18: SUSTAINABLE INTENSIFICATION

- A draft framework for conventional intensification with shared value in forestry was developed.
- FSC began a co-creation period on a possible learning process on genetically engineered trees outside FSC-certified areas.*
- *FSC started a learning process on genetic engineering - the goal is to better understand genetic engineering in forestry and if FSC could play a role in governance of safeguards for this, or not. (Please note: FSC does not allow GMOs in its certified forests and products).



48 GLOBAL ACTIONS STRATEGY 2

ACTION 19: CIRCULAR ECONOMY

- An overview of the paper and packaging recycling sector was finalized. FSC is exploring how to implement circular economy principles within its system to support and enable certificate holders with their circularity goals, thereby contributing to reducing the pressure on forests worldwide.
- The mapping of certificate holders with FSC Recycled for the paper and packaging product categories was concluded.



ACTION 20: FIBRE DEVELOPMENT

- Engagement with packaging innovators in paper bottle development was established with Paboco and Pulpex, who are using FSC-certified paper for their bottles.
- The Fashion Forever Green Pact was launched in September 2021 and onboarded 24 signatories.



ACTION 21: ALTERNATIVE INPUTS

- The market dynamics with regard to integration of alternative inputs ('neutral materials' that could be mixed with FSC-certified materials) were reviewed with the Policy Steering Group pending further discussion. Progress was slower than expected due to reprioritization.



ACTION 22: SOLID WOOD DEVELOPMENT

- FSC Global Development and ADEO Group agreed to sign an international promotional licence agreement (PLA), covering Leroy Merlin business units in 12 countries in 2022.
- A roadmap was created to facilitate FSC's project in Gabon, which seeks to support the implementation of Gabon's commitment to ensure that all forests are FSC certified by 2022. However, due to the ongoing pandemic, this project has been delayed.
- The newly developed approach to engaging with architects was implemented; a case study on the first FSC-certified project in Spain (Impulso Verde) and an e-book for architects, Build sustainably with FSC-certified wood, were finalized.

**ACTION 23:
NON-TIMBER FOREST PRODUCT
DEVELOPMENT**

- The first FSC-certified tyre by Pirelli and the BMW Group was launched.
- FSC-certified rubber smallholder groups and certified area grew by over 250 per cent and 166 per cent respectively versus the previous year.
- Hunter Boots became the first brand to make a public commitment that all its rubber footwear will be FSC-certified.
- FSC contributed to increasing the relevance of FSC certification for açai and Brazil nut markets, in collaboration with FSC Brazil.



**ACTION 24:
FSC SOURCING PREFERENCE**

Notable FSC sourcing preferences and future FSC commitments were achieved with Hunter Boots, IKEA, and Ralph Lauren.



**ACTION 25:
ECOSYSTEMS SERVICES MARKETS**

- A road map for organizational, market, product, and technology development was completed and disseminated.
- Regarding the revision of the FSC Ecosystem Services Procedure, an impact demonstration and market tools will start in 2022 and should be concluded in 2024.
- Initial development of partnerships took place to strengthen FSC's and its certificate holders' position in ecosystems services markets.
- An agreement was established with the Ecosystem Marketplace (a Forest Trends' initiative), and a memorandum of understanding was signed with Verra (carbon standard) and South Pole (project development).



**ACTION 26:
ECOMMERCE**

- A collaboration was agreed with Amazon to launch and strengthen their Climate Pledge Friendly Program, which makes it easier for customers to discover and shop for sustainable products.



**ACTION 27:
TROPICAL FOREST PRODUCTS**

- The Global Strategy was defined, and new assets were prepared and released.
- Content was created, including – How Consumers Can Ensure Responsible Management of Tropical Forests with FSC, and How Construction Professionals Can Ensure Responsible Management of Tropical Forests with FSC.
- An Amazon Initiative, an open letter sent to the Brazilian forestry sector by a united group of European timber importers and traders was successfully launched during a webinar on 29 November 2021. This was organized by Keflico and facilitated by FSC, and aimed to motivate the market of sustainably sourced timber and state the current and expected market requirements in Europe.



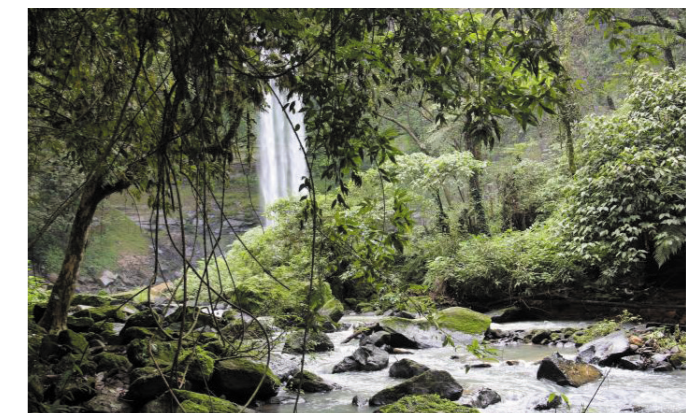
**ACTION 28:
TRADEMARK**

- A new pricing framework was introduced for international promotional licence holders across all trademark service providers.
- A new framework was introduced for PLAs managed by the FSC Global Development/ Markets and Communications Unit: the first PLA was signed with Pirelli.
- More than 3,000 trademark use support requests were resolved.
- The trademark standard (50-001 V2.1) revision was completed.
- New videos were created about the FSC labels, including – The Value of Promotional Licences, and The Meaning of FSC Labels.
- A milestone was reached of 1,500 PLHs – a 20 per cent growth in 2021.



**ACTION 29:
IMPACT AND PERFORMANCE**

- A road map to forest impacts was published, as well as an impacts dashboard.
- A functional specification for the Research Portal, an online platform where users will be able to access results from various scientific articles was developed.



ACTION 30: ECOSYSTEM SERVICES IMPACT

- A road map for organizational, market, product, and technology development was completed and disseminated. Also, regarding the revision of the FSC Ecosystem Services Procedure, an impact demonstration and market tools will start in 2022 and should be concluded in 2024.



ACTION 31: SHOPPER SOLUTION

- The proof of concept for a digital ID solution was defined, which identifies digitally whether a product is FSC-certified. This allows e-commerce retailers to recognize authentic FSC-certified products and promote them online.
- An automated solution for product data collection was completed that streamlines the process for e-commerce companies to promote FSC-certified products within their sustainability programmes.



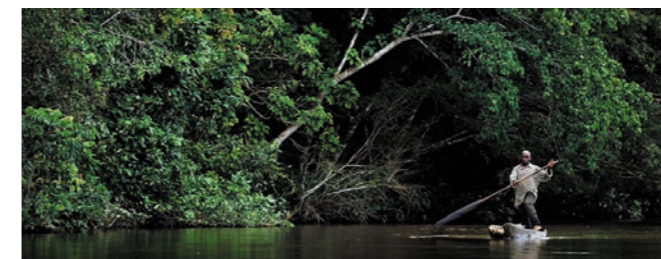
ACTION 32: COMMUNITY AND FAMILY FORESTS

- The new Free, Prior and Informed Consent (FPIC) guidelines were published.
- For the Continuous Improvement Procedure, a second consultation was completed at the beginning of Q4 2021.
- The Forest Management Groups standard was successfully rolled out.
- The Asia-Pacific regional standard operating procedures for smallholders were finalized and funding secured.
- A Collective Impact briefing note was published.
- A beta version of the screening tool for network partners (or external stakeholders) was completed to assess the probability of success of different communities that have timber as the main forest product. An economic viability tool, designed for empowering communities, to collectively analyse their current land management versus a scenario of responsible forest management and FSC certification, was also finalized.
- The revision of small and low intensity managed forests (SLIMF) eligibility criteria was launched, and a technical working group established.



ACTION 33: INDIGENOUS-BASED SOLUTIONS

- FSC IF signed terms of collaboration with the Food and Agriculture Organization of the United Nations (FAO) to develop and implement actions with national governments and other sectors in Central America on areas related to forests, sustainable agriculture, food system, Indigenous women, capacity development, and Indigenous businesses.
- FSC IF and the United States Agency for International Development (USAID) held global listening sessions with Indigenous Peoples on USAID's new US\$ 150 billion climate strategy for 2022–2030.
- Implementation began of the Indigenous Women and Girls Economic Empowerment (I-WEE) Programme with UN Women, FAO, United Nations Development Programme, Hivos, Mesoamerican Alliance of Peoples and Forests, and national and local Indigenous NGOs.
- Community and visibility strategy, and initial media products (website, newsletter, and social media) connected to Indigenous-based solutions were finalized and launched, led by FSC IF.
- Two side events executed in the FSC General Assembly focused on Indigenous Peoples rights, forest-based solutions, and business with participation of over 200 participants – including FSC members.
- Two Indigenous leaders were funded to participate in the 2021 United Nations Climate Change Conference in Glasgow.
- Six women Indigenous leaders funded to engage with US stakeholders, US government, donors, and investors to create awareness on partnerships and invest on gender, inclusion, Indigenous rights, and community business in Guatemala.
- The FSC IF team and senior staff participated in 35 regional and international events with linkages to over 60 different organizations.
- FSC IF hosted or co-hosted 25 events with approximately 1,700 participants from 150 organizations.



ACTION 34: DIVERSITY AND GENDER

- A baseline report on diversity and gender in FSC was developed in March 2021 and a green paper on gender issues in forests was finalized in December 2021. FSC was present in three gender-related events at the International Union for Conservation of Nature Congress and the International Union of Forest Research Organizations (IUFRO) World Day.

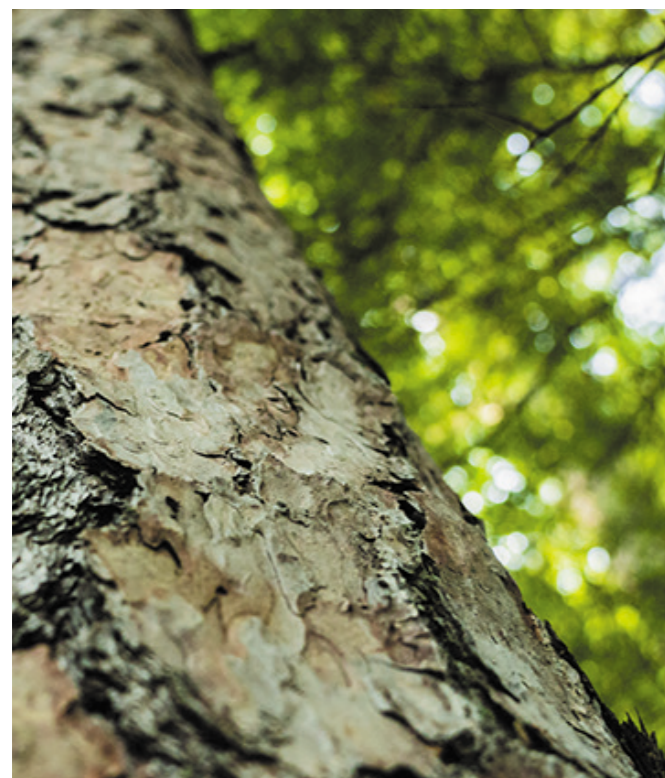


ACTION 35: WORKERS' RIGHTS

- Evaluation criteria and a procedure for benchmarking other social compliance schemes were approved by the Secretariat. Training modules for auditors and certificate holders were developed in five languages, and 27 national self-assessment templates were published.

ACTION 36: OPERATIONALIZING PARTNERSHIPS

- A leadership role in the secretariat was created to tactically coordinate and direct FSC's work on stakeholder engagement and partnership developments. Additionally, a partnership mapping exercise was started by the Markets & Communications Unit and the Global Network Unit collected data on stakeholders and partners in country factbooks.
- FSC signed a Memorandum of Understanding with Verra, outlining a workplan to help forestry projects that meet the requirements of both organizations to opt for cross-certification.
- FSC partnered with South Pole to support and develop nature-based solutions projects within forest management-certified areas in Africa and Latin America. The collaboration will deliver streamlined and standard approaches for certified forest managers wishing to connect to climate finance opportunities.



ACTION 37: GLOBAL AGENDAS

- Collaboration with the International Union for Conservation of Nature on nature-based solutions announced at the World Conservation Congress in September 2021.
- There was preliminary adoption of FSC indicators as part of the monitoring framework of the Global Biodiversity Framework.
- FSC participated in the 2021 United Nations Climate Change Conference in Glasgow.



ACTION 38: LANDSCAPE STEWARDSHIP

- A project for landscape solutions in Indonesia was funded and started with The Borneo Initiative. A request for proposal was developed for indicators related to the contributions of FSC-certified plantations to the wider landscape.



ACTION 39: GOVERNMENT TOOLKIT

- The government toolkit will be delivered in 2022. This toolkit provides an understanding of the political economy and enabling conditions of a country when engaging in dialogue with governments, and value propositions for certification for different areas of focus.



ACTION 40: ECONOMIC INCENTIVES

- Designing Fiscal Policies for Sustainable Forests was published in March 2021. FSC was recognized for contributions made to the book, including providing data on voluntary sustainability certifications.



ACTION 41: EUROPEAN UNION ADVOCACY

- FSC joined as an official partner of the New European Bauhaus, an initiative under the European Union Green Deal to accelerate the transformation of the construction sector

- in switching to materials that are circular, affordable, and less carbon-intensive.
- FSC shared 10 recommendations with the European Union (EU) Commission on how to strengthen the EU-driven deforestation proposal. Certifications are included in the proposal, which is currently being discussed by the EU's Parliament and Council.
- FSC became an affiliate member of the European Environmental Bureau.
- FSC provided recommendations on the EU Strategy for Sustainable Textiles.
- FSC provided recommendations to the European Commission on the Renewable Energy Directive revision process.
- FSC shared feedback on the Ecodesign for Sustainable Products Regulation, a new EU initiative aimed at making products placed on the European market more sustainable and circular.
- FSC received a positive evaluation in the Preferred by Nature report on forest schemes.



ACTION 42: REGIONAL AND GLOBAL TRADE

- The book Central African Forests Forever was published in Chinese, English and French for distribution and use in relevant locations; FSC plays an important role in the plan for the protection of Central Africa's vast forests. Additionally, FSC was part of the launch of the Amazon Initiative by European timber traders to show there is a market for FSC-certified materials from the Brazilian Amazon.
- FSC made three presentations at the Sustainable Tropical Timber Coalition Conference in November 2021 and a person in FSC China was hired for a specialized new role ('China Overseas' Director).



ACTION 43: **SUSTAINABLE FINANCE** **INSTRUMENTS**

- FSC shared a roadmap outlining organizational investments needed to develop solutions for the financial sector.
- The revision of the FSC ecosystem services procedure: Impact demonstration and market tools will start in 2022 and should be concluded in 2024.
- FSC also conducted research into key points for the financial sector to be included in the revision of the Ecosystem Services Procedure (FSC-PRO-30-006)
- FSC was recognized in the European Union Taxonomy Regulation on climate adaptation and mitigation criteria, and acknowledged in the EU Platform on Sustainable Finance report on taxonomy technical screening criteria.



ACTION 44: **SUSTAINABLE FINANCE** **RELATIONS**

- FSC continued participating in the 20 x 20 initiative and was included in the Green Bonds Principles sustainability reporting template.



ACTION 45: **PROJECT MATCHMAKING**

- FSC signed a collaboration agreement with South Pole and secured matchmaking projects with ISA Energy in Latin America.



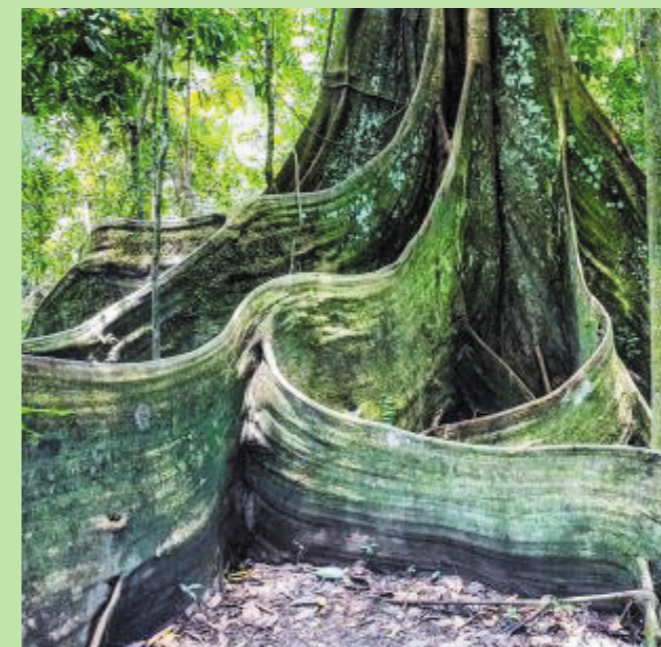
ACTION 46: **FSC BRAND POSITIONING**

- FSC's global brand identity was streamlined worldwide, which includes updated brand guidelines, brand elements, brand messaging, and brand templates. This work is reflected in the annual report you are currently viewing and will be rolled out further in 2022.
- Working with an award-winning advertising agency (Saatchi & Saatchi New York), FSC finalized a new campaign platform which aims to increase awareness and uptake with American consumers. This was sponsored by Procter & Gamble and will begin to launch in 2022.



ACTION 47: **GLOBAL STORYTELLING**

- Stories were gathered in Russia, Mexico, the United States, and Guatemala with inspiring content produced for social platforms and the FSC website. FSC's work was published in leading media publications including National Geographic.
- There was improved performance in social media with an average engagement rate of 14 per cent across all channels.
- FSC's TreeBnB campaign, launched for the International Day of Forests, won gold for Disruptive Communications in the Digital Communication Awards 2021.



ACTION 48: **MEDIA ENGAGEMENT**

- Three webinars were held for journalists with the aim of engaging and building relationships, as well as positioning FSC as a leader in the forestry and environmental space. A total of 61 journalists representing targeted mainstream media houses engaged with the webinars, resulting in three positive articles mentioning FSC in the media.
- There was successful pitching of multiple stories, reaching audiences of approximately 50 million people worldwide.
- A more proactive crisis management approach was adopted to respond to issues in the media, which resulted in increased trust and positive sentiment towards FSC.





FSC STORIES 2021

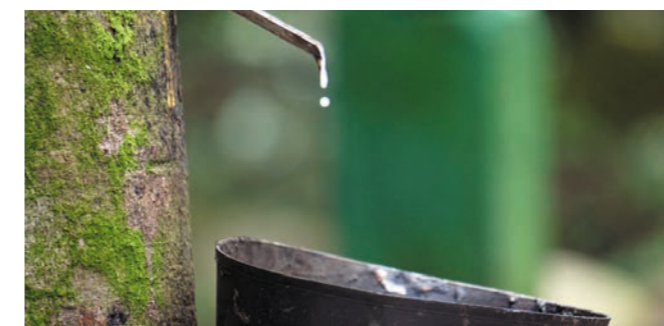
FSC STORIES 2021 BUSINESS

The World's First FSC-Certified Tyre Becomes a Reality

A major breakthrough for sustainability was achieved by Pirelli and BMW in 2021 with the introduction of the world's first FSC-certified tyre. The Pirelli P ZERO tyre, which was equipped on the BMW X5 Plug-In Hybrid model, uses FSC-certified natural rubber and rayon as well as other materials.



About six million smallholders worldwide are responsible for 80 per cent of the world's natural rubber production, and the tyre industry consumes roughly 70 per cent of it. However, FSC certification in this sector had not been achieved until last year.



The launch of the first FSC-certified tyre has initiated a significant step in the sustainable transformation of the natural rubber value chain, helping to mitigate deforestation and supporting the fight against climate change. FSC certification assures that natural rubber is sourced from forests or plantations with safe working conditions and without deforestation or other environmental damage.

Fashion Forever Green Pact: Promoting Responsible Sourcing Among Global Brands



The Forest Stewardship Council (FSC) launched its Fashion Forever Green Pact, a call to immediate action for the fashion industry—brands, retailers and manufacturers alike—to adopt responsible sourcing to support the world's forests.



Participants include:

H&M Group | Masai Clothing Company | JBS Textiles Group | Aditya Birla Group | Bitte Kai Rand | Bravo World

The Fashion Forever Green Pact remains open to any company (brand, retailer or manufacturer) that wants to actively transform the fashion and textiles industry and address its negative impact on our environment.



The initiative is based on a set of three actions that aim to build sustainability into the fashion industry's growing reliance on fibres and other forest-based materials. It represents an industry-wide collaboration between FSC and brand owners to drive a shift in sourcing practices and ultimately safeguard forests globally.



FSC Joins the Fashion Industry Charter for Climate Action

In 2021, United Nations (UN) Climate Change launched the Fashion Industry Charter for Climate Action. The initiative aims to drive the sector to net-zero Greenhouse Gas emissions no later than 2050 and strive for low-climate impact & low-carbon best practices at all levels of the supply chain.

FSC was proud to join the UN Fashion Charter, working closely with the industry to co-create solutions that deliver Climate benefits from forests and their ecosystem services.

By joining, companies proactively commit to:

- Responsible procurement policies
- Sustainable sourcing of FSC-certified man-made cellulosic fibres within a year of signing
- Labeling at least one collection with the FSC label by 2025

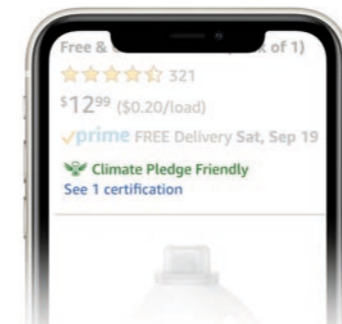


© FSC / All clothing and wood hangers are certified

FSC Supports Amazon's Climate Pledge Friendly Program

FSC participates in Amazon's Climate Pledge Friendly program, which makes it easier for customers to discover and shop for more sustainable products.

When searching for products, customers see the Climate Pledge Friendly badge signifying products that have one or more of 38 different sustainability certifications that help preserve the natural world.



FSC has a total of 30,000 FSC-certified products available on Amazon. The product selection includes grocery, household, fashion, beauty, and personal electronics, as well as other items from a range of categories.



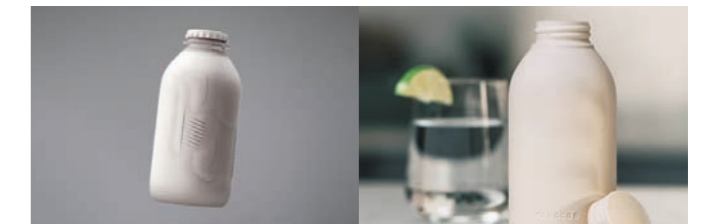
FSC-Certified Paper Chosen by Paboco and Pulpex

FSC-certified paper was chosen by packaging innovators Paboco and Pulpex for use in developing their paper bottles.



All bottles being produced by Paboco are FSC-certified and labeled. The first-generation bottle used FSC-certified paper and was adopted by Coca-Cola Europe, L'Oreal, P&G, Alpla, Pernod Ricard, Carlsberg Group, and BillerudKorsnäs.

FSC and Paboco continue working towards the recyclable and fully bio-based second-generation bottle. Paboco and Pulpex's innovations in paper bottling will help the packaging sector leverage reusable, responsibly sourced and renewable materials rather than petroleum-based plastic.



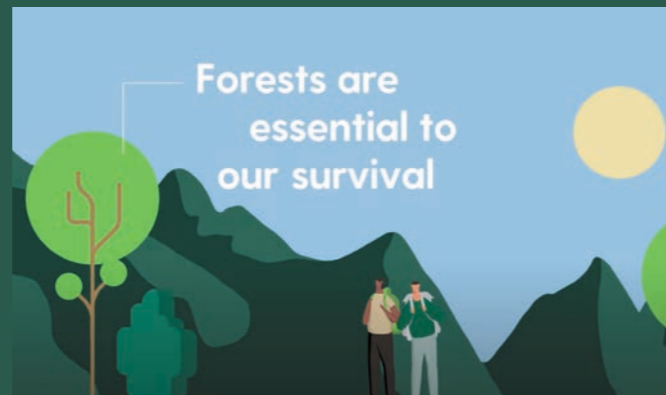
FSC Furniture Awards 2021

The Forest Stewardship Council created the FSC Furniture Awards to reward FSC-certified companies in the indoor and outdoor furniture sector. In 2021, the first edition of the FSC Furniture Awards covered 11 countries: Austria, Bosnia and Herzegovina, Croatia, Czech Republic, Germany, Italy, Poland, San Marino, Serbia, Slovenia and the United Kingdom.



What Do the FSC Labels on a Product Mean?

FSC labels can be found on millions of products worldwide, from milk cartons and other food products to books and furniture. FSC published a new informative video to increase the awareness of the FSC labels among consumers and encourage them to do their part when purchasing to help protect forests for future generations.

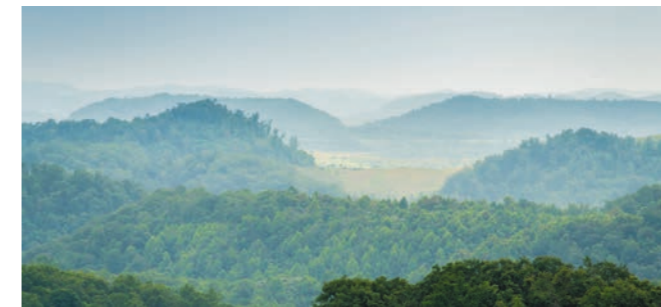


Conserving Habitat for Threatened Bats on Timberlands in the Heart of Appalachia

A unique partnership between a forest management company, a university, and state and federal agencies produced a study that revealed how landowners can sustainably harvest timber and help make a home for bats.

The second you step out of the car and into the forest, you feel small. There's a cacophony of insects and birds wailing in surround sound, volumes rising and falling in the midday heat.

And then there's the green colour – deep emerald green, bright, yellowy sun-dappled green and almost every shade in between that you could ever imagine. Look up, and the sky is thick with leaves and branches. Look down, and you can't even see the soil. Both the forest floor and the canopy are teeming with life – salamanders, beetles, songbirds. Though it may feel like it, you're not in the tropics. This is deep in the forests of Eastern Appalachia, Kentucky.



An abandoned barn, wood bleached grey and almost completely swallowed by time, stands at the entrance to this 1,300-acre tract of land. This is part of a much larger 47,000-acre swath acquired by The Forestland Group, a TIMO (timber investment management organization), in 2012. The Forestland Group buys forest land, manages and eventually sells it. The organization has an eye towards climate mitigation and conservation, guided by strong environmental ethics.

For Alex Finkral, Chief Forester and Vice President of Conservation at The Forestland Group, it's the complex tapestry of hardwoods and softwood species like hickory, sycamore, tulip poplar and white oak that make this region's natural forests a fascinating place to work.

The Appalachian region is also the largest biodiversity 'hotspot' in the United States. Microhabi-

tats here form unique ecological niches that can help protect rare, threatened and endangered species. "Their economic and ecological dimensions are like an impossible puzzle that we're always trying to solve," he says.

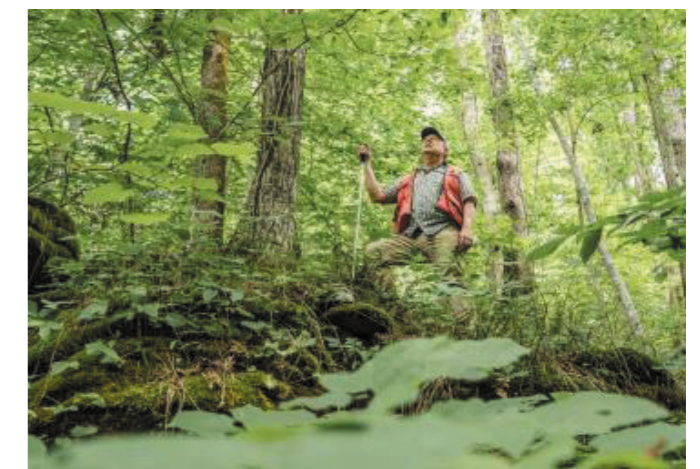
The puzzle they're trying to solve here is not just how to responsibly manage a working forest; this forest isn't just the site of a sustainable timber harvest operation – it's a research experiment. The Forestland Group wanted to know, can you do a commercially viable harvest that provides the right habitat attributes to help certain rare, threatened or endangered species thrive?

To do this, they set their sights on one species in particular – the bat. Specifically, the northern long-eared bat and the Indiana bat. They formed a unique public-private partnership with the University of Kentucky, and state and federal agencies to come together "in the spirit of learning a little bit more about bats and what they like," says Finkral.

What they found is an easily applicable sustainable management solution. This has a positive impact not only on the future survival of these two threatened species, but also empowers forest landowners to become conservationists in their own backyards.

With all their properties Forest Stewardship Council® certified since 2005, The Forestland Group has been able to ramp up their conservation game to manage this forest responsibly and provide a habitat for species to thrive over time.

"So, you need to have a commitment to long-term thinking," Finkral explains. "It's the kind of place where you can spend decades and just be scratching the surface."



Scratching the surface of this lush, wild forest is a day-to-day reality for Steven Roach, Vice President of Operations at Advantage Timberland. He's been managing the timber harvesting on this property for the past ten years, and has worked in forests for over 20.

Roach knows this forest like the back of his hand, and it shows as he points out spots where white-tailed deer have licked minerals off the ground, and the coal seams, interbedded sandstone and shale that make up the rock walls of the hill.

"I ain't been up here in a while. You can see how the forest gets pretty thick," he says as he deftly dodges multiple rows of thorny blackberry bushes, clearing the path for those behind him. "Don't let it get hold of you," he warns, "it doesn't like to let go."

We head into the harvested part of the site, past an old log landing to a stream crossing. "This area on the map is what's called a perennial stream," Roach explains, "and when we have crossings like this, we put in culverts and cover them with dirt. Sometimes we'll lay wood or straw across them, to protect the stream when we strike the logs."

The Forestland Group has worked hard to make this timber harvest sustainable, using best management practices like not harvesting trees within 50 feet of the stream, and reseeding areas with a native grass and seed mixture to stabilize the soils.

"We go above and beyond ... even beyond the state BMP reforms," he says, a hint of pride leaking into his slow, Kentucky drawl as he refers to the best management practices the state suggests implementing. For example, take skid roads – trails made by skidders taking logs down to the landing by 'skidding' or dragging them out. To mitigate erosion and damage from the big, heavy machinery and keep sediment out of the creek, Roach and his team laid out small logs perpendicular to the road, in a pattern called corduroy (like corduroy trousers).

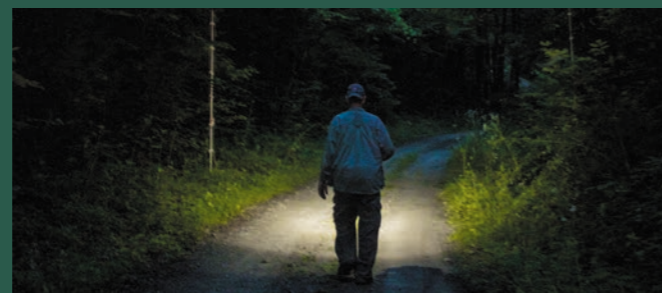
Finkral admits even without FSC® certification,

they'd still be doing a lot of these things anyway. "But FSC just ramps it up a notch. It makes you more accountable and increases eyes in the woods. All of that leads to better practices in the end."

For the bat habitat experiment, The Forestland Group and their partners designated three treatment areas, roughly 100 acres each, as three different silvicultural projects. What they wanted to do was tweak the forest here and there by selective harvesting and thinning, but also by leaving an intact control area, and creating group shelterwood – cutting small one-acre openings or 'holes' in the canopy to regenerate new tree growth.

But which habitat, each with different light, heat and food source variations, would the bats choose? To find the answers, they needed someone on the front line of critical habitat protection for this species. So, they brought in the 'bat man'.

Mike Lacki leans over his equipment: scales, a pair of gloves and a lantern are placed on top of an upside-down cat litter box, "in lieu of a table," he says. We're sitting in a circle on the ground, flashlights in hand, tense but eager. The whole thing has the air of a stakeout. But instead of waiting for criminals to appear, we're waiting to catch a bat. "Can we get some net checkers? Let's see if you got something for me. I want to hear a holler!" Lacki has set up mist netting, super-fine mesh black nets that look almost like volleyball nets, across the trail.



We're in FSC-certified Robinson Forest, a huge, almost 15,000-acre watershed area administered by the University of Kentucky. Though the forest is used for all kinds of research including forestry, geology and archaeology, it's still a very wild place. A bear recently ate the sign to the

off-field site. We're told not to venture too far off the trail for fear of copperheads, a poisonous snake common in the area.

It's late, and dark. But Lacki doesn't mind. He shares one habit with the species he's been studying so intensely over the past forty years – he's nocturnal. "I never go to bed before 1 a.m.," he explains. "Sometimes I'm up till 2 a.m. even, and I'm awake by 6:30 a.m."

A former professor of forestry and wildlife and the University of Kentucky, Lacki is now retired and a professor emeritus. He spent the greater part of his career focusing on the conservation ecology and natural history of North America's insectivorous bats. He's worked with colonies throughout the continent, from the west coast to New York state and many places in between.

Lacki, who describes himself as a "Halloween kind of guy," has always been into bats. First of all, he thinks it's cool that they can fly. "As a child I would watch them at night in the sky and was fascinated with their manoeuvrability," he explains.

Lacki is also drawn to their echolocation capabilities – how they use Doppler shift patterns to assess movement, speed and direction, and identify not just individual insects but whole communities. Further into his career, Lacki realized how much communication takes place between bats, how they help each other find out where food is, and where other roosts are.

"And so, when I think about them from the standpoint of all that they can do that we cannot, why not be fascinated by them?" Lacki knows bats have a bad reputation for rabies (very few people catch it), pandemic-causers (inconclusive) and the whole vampire thing (there are no vampire bats in Europe).

But he says this 'widely misunderstood group of animals' has an important role in natural ecosystems. Bats pollinate plants and are a solid source of natural insect control. Their faeces, known as guano, build up in the bottom of caves and create an entire ecosystem.

Bats also serve as gauges of biodiversity because they're extra sensitive to things like pesticides and other environmental stressors. "Loss of bats," Lacki explains, "is an indicator to us that when that's happening, something's wrong."



And something is wrong.

Since 2006, Lacki and others in his field have been in 'emergency mode', fighting the devastating effects of white-nose syndrome. It's a disease where a fungus grows on the nose of hibernating bats, causing them to wake up and deplete vital energy.

The disease has led to massive and dramatic colony die-offs in hibernation areas across the country, killing an estimated 6.7 million bats. The consequences have been severe, especially for northern long-eared bats, whose numbers have declined by up to 90 per cent in the north-east.

One quality of bats that gives hope in this scenario is that they are highly adaptable. Those skid trails left by logging machines? Bats will zip back and forth on them – it's like an express lane on the highway. The northern long-eared bat roosts in trees near the edge of the road.

And the openings, those holes in canopy left in the group shelterwood treatment? Bats love them. They make really good foraging areas, especially for gleaning bats, who rely less on echolocation and more on the sounds of their prey.

Gleaning bats, like the northern long-eared and the Indiana bats, like to pick insects off fallen leaves on the forest floor. This kind of ground vegetation is called clutter, so University of Kentucky researchers changed the distribution of clutter in their treatment areas, creating a mixture of shade-tolerant and intolerant species so at night, roosting bats don't have to go far for their meals.

Leaving big trees with no clutter opens a refuge, a place where bats can roost and rear their young. Large hollow trees with big flaky bark are safe places for micro-hibernation/going into

a torpor during the day. They can even regulate their own body heat by moving up and down a tree to get more or less sunlight.

These artificial changes mimic natural disturbances, creating conditions for bats to thrive. Says Finkral: "It's mother nature... just a little more organised."

Easy flyways and ready access to food means healthy bats, and helps them to eat more efficiently and build up body weight. Crucially, it reduces white-nose syndrome as well, because the species can spread out. They don't have to cluster together as much and spread the disease.

It's about an hour and a half into the stakeout when we see a net runner coming back, holding a small bag with something moving in it. "She's either pregnant, or just gave birth," Lacki says, examining the bat, "either way, she's lactating."

She wriggles, then preens, then darts out her tongue to catch insects as the camera clicks underneath her, unaware of her current star status. "Because she's coming out of hibernation, if she's been affected by the fungus, she's probably lower in body mass and a little bit debilitated in her physiology and metabolism. But she's still going to try and raise her young."

Unlike other small mammals, Lacki explains, these bats don't have big litters, producing only one or two offspring a year. "So, when that's all you can produce, the ability for your populations to rebound takes a lot longer."



Lacki gently spreads the bat's thin, gossamer-like wings. They have such a delicate texture, like parchment. Bugs are circling his headlamp like crazy. A giant dragonfly plops on his cheek and stays there. He ignores that completely to focus on the bat. His eyes are gleaming in wonderment, like a child's.

"And so hopefully, we can create conditions that are good for young affected females to survive the summer maternity season and slowly recover," Lacki says.

"I know you're irritated. C'mon, c'mon." He can't hold her for much longer. She's screeching. "You're free!" he says as he lets her go, to get on with the business of the night.

On the backroads of Hazard, Kentucky are boarded-up stores, mobile homes and abandoned coal preparation plants. Coal production, once a large economic force in this region, fell last year to its lowest level here since 1965. But the forest sector is still going strong, driving almost **\$14 billion** in economic contributions and creating an estimated **53,000 jobs**.

Jeff Stringer, Chairman of the Department of Forestry and Natural Resources at the University of Kentucky, stands among a pile of white oak staves, or planks, neatly stacked. We're here at the University of Kentucky's wood utilization centre, the site of an old sawmill on the edge of Robinson Forest. It's part of a group of FSC-certified forests that he manages.

Stringer explains that high-quality white oak logs can be used for veneer, or for barrel staves like the pile we're standing near, for ageing the legendary Kentucky bourbon. Lower-quality logs can be cut into cross ties for railroad tracks. "Every species has different things you could use them for. Within a tree, you also have different product types."

Stringer is a pragmatist: he knows this land and its people well, and he knows that loggers are going to carry on logging. But in terms of forest management and habitat preservation, he'd like to meet them halfway. He knows that's possible.

"In some places, like even in western Kentucky, land is a lot more of a commodity. You buy, you sell, you make money," Stringer says. "Here, it's your backyard, you have a much deeper emotional link to the land."

More than **75 per cent** of the private forests in the country are owned by small landowners, spread out in small parcels mostly in the south-east.

So how do you convince the 430,000 people that own forest land in Kentucky to consider biodiversity? That's where the results of the study come in.

"The beauty about it is, you can have an average landowner with 100 acres of woods, right? That landowner can put those little openings in. Every landowner could do that."

The same practices, like distributed cuts implemented on a large scale by The Forestland Group, can be done on a very small scale by a family forest, or small woodland owners as well.

If you're FSC certified, another economic incentive for small landowners is that they can sell high-quality lumber and pulp products to a market for FSC-certified wood. It's not only good for forests, but good for the bats. "... because you're not in there running machinery, not flying around with helicopters, blowing herbicide everywhere," explains Stringer.

Stringer says that FSC audits provide safeguards. "We've had landowners that would not do a timber harvest until they became FSC certified, because that certification assured them that there was technical expertise on the operation to help them meet their sustainability objectives."

When it comes to investing, Finkral admits an eastern hardwood mixed species forest versus just planting trees in rows can be a hard sell. "This is woollier," he says. "Here, people walk out into this mess of species diversity, site irregularity, rocky, thin soils and deep fertile soils, and say what in the world is going on?"

Then there's complexity of time – eastern hardwoods take decades to reach maturity, and decisions you make now will set the stage for sustainability to occur over long periods. Where this fits well, Finkral believes, is as part of a diversified investment portfolio. Because when the stock market falls in value, forests don't – they continue to accrue value. The Forestland Group's commitment to FSC's forest management standards helps ease investors' minds. Finkral: "For a lot of investors, investment in forests is very risky and scary. FSC offers a nice little sedative – everything is going to be okay."

For The Forestland Group, they're guaranteeing that what they learned about bats can work in the field – they took the data and ran with it. They've integrated the results of the bat study into their Forest Information Portal, an internal database of all their properties. Now, forest managers like Steven in other states have pow-

erful tools they can use to identify known occurrences of rare, threatened and endangered species like bats. They can prioritize protecting them through designated conservation zones, following vital biodiversity indicators that are part of FSC's US forest management standards.

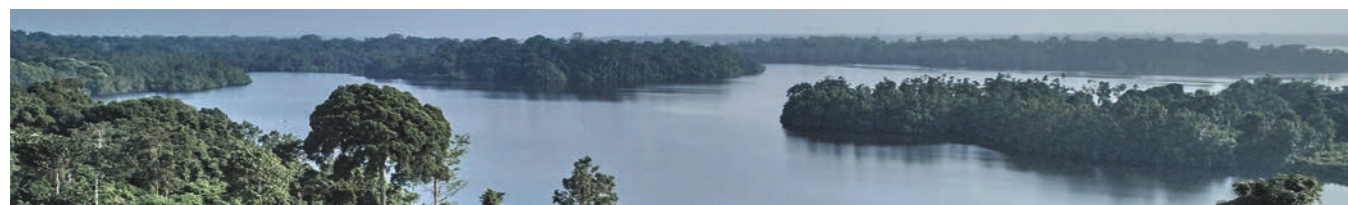
The bat study itself is ongoing, and Mike Lacki looks forward to coming back in ten years' time to check on how the forest's age diversity has affected the bats. Even though he's retired now, he says he'll do it anyway – like a detective brought back to solve just one more case.

Like many others, he just can't resist the air of intrigue surrounding these mysterious creatures. Bats are everywhere, on every continent except Antarctica. Although it's estimated there's around 1,200 species of bats worldwide, Lacki says only about a quarter of them have been studied.

"There's so much more to bats that we just don't know."



GlobeScan Confirms FSC is the Most Recognized and Trusted Forest Certification Label

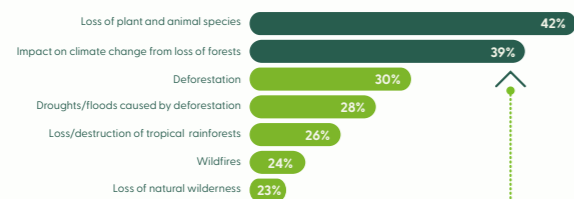


2021 Global Consumer Survey: Key Takeaways



Consumers are increasingly concerned about sustainability issues associated with forests, according to research conducted by FSC.

Most Concerning Forest Threats



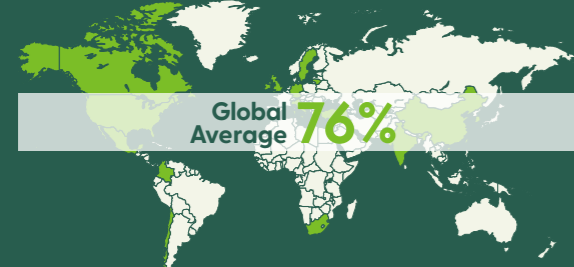
Consumers are therefore showing a preference for products that protect forests.

8 in 10

of global consumers expect companies to ensure that their wooden or paper products do not contribute to deforestation or damage wildlife habitats.



Consumers believe strongly in the importance of independent certification and this belief is increasing.



Noteworthy countries with increasing demand for independent certification (compared to 2017)

	United Kingdom	▲ 9% (83%)
	Italy	▲ 6% (82%)
	India	▲ 9% (76%)
	USA	▲ 9% (75%)
	Canada	▲ 8% (72%)

And they are already taking action when shopping to protect forests.



86% of consumers say they check the product information before buying to make informed choices.

Forests are a key connection point for consumers and the sustainability agenda.

Consumers now regard climate change and biodiversity loss as the top 2 drivers of purchase for paper-based products—even above quality and price.



FSC is the world's most recognized and trusted forest-certification scheme to protect the world's forests.



of global consumers recall seeing the FSC logo.



of global consumers understand what the FSC label stands for.



of global consumers trust FSC to protect forests (higher than governments, companies and individuals)

FSC helps consumers take positive action



of shoppers who are aware of FSC will choose an FSC-certified product over its non-certified equivalent.

Over 7 in 10



of those that know the label are willing to recommend FSC-certified products to friends and family.

of those consumers who recognise the label say that it motivates them to buy a product.

The consumers have spoken. Join our mission to protect the world's forests.



FSC (Forest Stewardship Council) is the sustainable forest management solution created by NGOs, consumers and business alike to protect healthy and resilient forests for all. Consumers were surveyed in 9 countries - Canada, Chile, Colombia, China, Germany, India, Italy, Mexico, Poland, South Africa, South Korea, Sweden, Turkey, UK and USA.

FSC Webinars

FSC hosted a webinar series called Out of the Woods, designed to spotlight value chains linked to forests and the role sustainable forestry plays in protecting them. Other webinars hosted outside this series highlighted ways FSC adds value to projects and campaigns.

How architects specifying tropical timber can help mitigate climate change

In this webinar, our guest speakers Tullia Baldassarri from Interholco, Boris Zeisser from Natrufted Architecture and Peter Gijzen from Koninklijke BAM Groep [Royal BAM Group] shared real-life examples of innovative tropical wood applications and the sustainability implications of choosing them. A total of 303 people registered for this webinar from 31 countries.

Building sustainably – the benefits of building with FSC-certified mass timber

In this webinar Sebastian Bildau – Architect, CF Møller Architects, Carlo Battisti – President, Living Future Europe, and Antonio J Lara-Bocanegra – Assistant Professor, Technical University of Madrid shared the benefits of sourcing FSC-certified cross laminated timber and how this can help architects to deliver on their commitment to building sustainably.

Unlocking sustainable natural rubber – how to scale early successes for 2022

Tracing natural rubber supply between processing factories and millions of smallholder farmers is one of the most difficult challenges facing rubber today. This challenge, among others, has contributed to the perception that rubber cannot become fully sustainable. However, significant milestones in the past year have changed the trajectory of rubber certification. In this webinar, our guest speakers Ulrich Antoni from Pirelli, Tina Nguyen from Hunter Boots, and Dieter Verschuere from Latexco talked about their efforts in ensuring sustainable transformation of rubber. *Other webinars hosted outside this series highlighted ways FSC adds value to projects and campaigns.

Dezeen – FSC Architecture Project Talks – showcasing building projects made using FSC-certified wood

Dezeen is the world's most popular and influential architecture, interiors, and design magazine, with over three million monthly readers and six million social media followers. Dezeen teamed up with FSC to host a webinar series about buildings made from FSC-certified wood. The series featured a presentation from Feilden Clegg Bradley Studios on 3 November about its renovation of the University of Bristol's Senate House building, and featured a lecture from Chris Precht on 2 December about Bert, his design for a modular treehouse.

Promoting consumer engagement with forest sustainability

In this webinar we revealed the latest global consumer sustainability insights from GlobeScan, along with practical steps companies and brands can take to harness consumer momentum and protect the world's forests. Almost 1,000 professionals registered for this webinar from 79 countries, representing 377 organizations.



The Value of an FSC Promotional Licence

Over 1,000 brands and retailers use an FSC promotional licence to show they care for the world's forests. All over the world consumers recognize and value the FSC label on products.

The FSC logo shows that a product follows strict and rigorous standards, and displaying and promoting it, demonstrates a brand's commitment to protecting the world's forests and positively contributing to the lives of the communities that depend on them.

When a company becomes a promotional licence holder, they can use FSC trademarks in advertising, video content, printed materials, social media, in stores, reports, training materials, press releases, and more. FSC also provides a range of services to all licence holders, including verification that the product's being promoted are genuinely FSC-certified.

If your company is not already certified and works with FSC labeled products and would like to demonstrate your commitment to sustainable forest management and responsible sourcing, then an FSC promotional licence might be for you.

To find out more about applying for a promotional licence, contact your local FSC office by visiting fsc.org.

Transaction Verification in Asia Wood Pellets Supply Chain

FSC introduced transaction verification for wood pellets covering the major producer and consumer markets in Asia.

Why was this introduced?

FSC and Assurance Services International (ASI) received questions and allegations about the FSC-certified wood pellets supply chain's integrity in the region.

Why was this important?

When produced from sustainable sources, wood pellets are a renewable energy source used for industrial power generation and residential heating purposes

What were the results?

The preliminary results of the analysis highlighted that:

- Vietnam was the main producer and exporter of FSC-certified wood pellets.
- Japan was the biggest importer of FSC-certified wood pellets.
- Mismatches have been identified in export-import volume data.
- Instances of potential false claims have been identified.



Preliminary Results of Transaction Verification in Mangifera and Dalbergia Supply Chains

FSC mandated ASI to conduct a preliminary analysis of Mangifera (mango) and Dalbergia supply chains' transaction data from 2019, collected from 553 certificate holders through certification bodies.

The results:

Analysis of over 2,000 transactions revealed that Mangifera supply chains posed a high risk for the presence of non-conforming products. When mismatches are uncovered, and certificate holders are found to have made false claims, stringent disciplinary measures are applied. Active Mangifera processors are mainly located in India, with finished products being exported to European markets including Germany, Denmark and Spain, amongst others.



FSC Blocks Organizations with False Claims in Bamboo Supply Chain

In a review, FSC uncovered several companies that deliberately carried false claims in the bamboo supply chain transaction verification. Considering the substantial integrity risks exposed, FSC terminated and blocked the companies from certification for the foreseeable future. The complete list of companies blocked for FSC certification is available at <https://connect.fsc.org/fsc-public-certificate-search>.



Blockchain and Revolutionizing Compliance in Supply Chains

Fraudulent claims can disrupt a supply chain, impacting businesses, workers, and forests. FSC's blockchain verification technology aims to tackle fraudulent FSC claims and non-conforming forest materials and support "know your materials" compliance.

Why are materials compliance checks and traceability so important?

FSC-certified organizations are licenced to use the FSC trademarks for on-product labeling



and promotional use and at the point of trade. FSC's supply chain investigations and transaction verification allow FSC to investigate, uncover, and address fraudulent activities carried out by certified organizations.

What is the FSC Blockchain and how can it support integrity in FSC supply chains?

Blockchain is a record-keeping digital technology that registers transactions into a digital ledger that cannot be changed. Forest-related supply chains rely on paper systems, which have the potential for fraudulent claims to be made by tampering with or falsifying documentation.

Blockchain can fundamentally change how compliance and traceability of FSC materials across supply chains are verified using secure technology, breaking free from reliance on paper-based documentation exchanged amongst organizations to assert trade claims that materials are compliant. FSC-certified organizations would be able to support verification that the materials they trade are compliant and traceable to the source.

Blockchain pilot programme:

In 2021, FSC conducted a pilot programme to demonstrate blockchain technology's ability to transform trade compliance verification, offering the opportunity to validate blockchain technology with real data. The pilot also helps determine the conditions that enable FSC to develop enhancements towards wider general availability to certified organizations in the future. Two supply chains in Ukraine and China participated in the pilot, where over 10,000 transactions were submitted, and more than 90 per cent of companies activated their accounts.

Woodland Caribou at the Heart of Special Forestry Partnership in Canada

Across the boreal forests of Canada, “grey ghosts” have roamed for hundreds of years, elusive creatures that seek out forest landscapes undisturbed by humans.

These “ghosts” – woodland caribou – are not only one of the country’s most iconic animals, but are bellwethers of the forest ecosystems. Healthy populations provide a clear indication that the forests can support biodiversity and foster a traditional way of life for bordering Indigenous communities.

But the woodland caribou is a threatened species whose numbers have plummeted over decades as their habitats have been disturbed. According to Environment Canada, just 15 of 51 caribou ranges are at least 65 per cent undisturbed. This is due in large part to the cumulative impacts of encroaching oil, mining and logging industries that have altered their habitat and increased access for predators.

Fortunately, the plight of this at-risk species is gaining increasing attention. Recently, on Canada’s west coast, governments and First Nations communities signed a landmark

agreement to protect 550,000 hectares essential for six caribou herds, designating another 206,000 hectares as a provincial park.

Still, progress is slow and insufficient. In fact, a new report on Quebec’s Val-d’Or woodland caribou population confirms the urgency: only six members of this herd remain alive. Today, across Canada, the call continues for governments and industry to work with environmental groups, First Nations and stakeholders to protect the health and sustainability of caribou.



A unique partnership seeks to find solutions

In one pocket of eastern Canada, an unlikely partnership bloomed to address this vital issue head on. “Team Caribou”, envisioned by the global forestry company Rayonier Advanced Materials (RYAM – formerly Tembec), unites diverse stakeholders with a vested interest in protecting woodland caribou habitat in Quebec’s Detour forest range.

In 2013 during a routine yearly audit, RYAM discovered that they did not meet requirements related to the protection of caribou habitat set by the Forest Stewardship Council (FSC), based on new information from the federal Recovery Strategy for the Woodland Caribou that highlighted the importance of forest management.



“When we received the report, we didn’t panic as we know FSC is a tough standard and caribou research and knowledge is constantly evolving,” says Marie-Eve Sigouin, forest certification coordinator, RYAM and chair of the working group. “We knew we had to think long-term, beyond one audit, and to see FSC as a way of working collaboratively with others. So we got to work to change our approach.”

As a company deeply invested in nature for its raw materials, RYAM has long understood the importance of forming partnerships with those who live and work in and near the forests in which it operates. The new requirements provided further impetus for change, and guided RYAM’s collaborative approach to its caribou plan.

RYAM sought to build Team Caribou by engaging the Indigenous community at Pikogan (also known as the First Nation of Abitibiwinni), for whom the caribou is an emblematic and historically harvested animal. RYAM also reached out to Canadian Parks and Wilderness Society (known as Société pour la Nature et les Parcs (SNAP Québec in French)), which balances caribou habitat conservation with forest management and restoration, as well as the Quebec Ministry of Forests, Wildlife and Parks.

Team Caribou formed quickly due to a sense of shared purpose, and deepened its collective knowledge by including traditional perspectives from the Grand Council of the Crees (Eeyou Istchee) and scientific insight from the Université du Québec en Abitibi-Témiscamingue and others.

The group’s first success came in 2015 when it quickly pulled together the necessary mosaic of changes needed to meet the new FSC and Federal requirements – but this would not be their only challenge.

The new mission: further protect caribou habitat

In 2018, as scientific knowledge of caribou continued to evolve, the group came together again, this time with an even greater mission: reduce disturbance levels to less than 35 per cent

for the transborder Detour/Kesagami caribou population through habitat conservation and restoration measures.



Determined to succeed, Team Caribou met regularly, negotiated transparently and sought actionable decisions that could be agreed upon in the moment. When negotiations got tough, it was Benoit Croteau, from the Abitibiwinni First Nation, who steered the team back on track by reminding everyone that they were working for the caribou.

In just two years, the team devised and proposed a new plan to protect the caribou habitat while respecting Indigenous Peoples’ rights and balancing the economic interests of industry. Guiding this plan was the new FSC National Forest Management Standard, which requires forest managers to set woodland caribou habitat management strategies based on the best available science and risk tools. This includes minimizing the building of roads, harvesting outside caribou breeding and migration areas, and minimizing landscape disturbances by aligning forestry activities to nearby industrial activities.

“Our first caribou recommendations were implemented by the Quebec government after just two years of work, which is extremely fast,” said Pier-Oliver Boudreault, a conservation biologist at SNAP Quebec.

“Within the team, there’s been deep knowledge sharing. I’m a biologist, but I’ve learned a lot about mills and forestry operations. Our Indigenous partners, who are much closer to the land, have brought us the historical perspective [on caribou], which we don’t have in western science.”

This collective new initiative ensured that RYAM was able to meet the new requirements of the 2020 FSC standard. But it also went far beyond that important step: Team Caribou’s approach garnered additional support and funding from the federal government to further develop and share their approach and findings across the border, in Ontario.

“It’s clear that if you develop a plan in absence of a key stakeholder, you’re missing an opportunity,” said Chris McDonell, Chief Forester-Ontario and Manager, Aboriginal and Environmental Relations, RYAM. “Conflict is expensive. Collaboration is faster and cheaper.”

A game-changing event takes place

Since 2013, Team Caribou has deepened its connection and commitment to this particular population of woodland caribou. The work culminated in 2019 in a unique event at Pikogan, an Indigenous community seven hours north of Ottawa. There, Marie-Eve Sigouin, along with Benoit Croteau and Pascale Trudeau-Cananaso of Abitibiwinni First Nation, put the finishing touches on the first-ever transborder Detour/Kesagami Caribou Forum.

The event drew participants from Ontario and Québec, as far as 1,000 kilometres away, including Indigenous communities, forestry and mining companies, environmental organizations and government officials – all of whom gained newfound scientific and traditional knowledge about the health and wellbeing of local woodland caribou.

The Forum, supported by Environment and Climate Change Canada, was a clear indication that Team Caribou had earned widespread trust and recognition over the past six years. It was also a timely opportunity to showcase

diverse projects for the Detour/Kesagami caribou population, and included a First Nation-led Talking Circle and collaborative workshops.

During one session, Clarence Trapper, Moose Cree, unveiled a revelation that took many in the group by surprise. “When helicopters or planes come too close, the caribou stop eating,” he said.

Woodland caribou, as it turned out, were impacted by human influence in the air, not just on the ground. This opened a new avenue of discussion around the consequences of environmental noise overall, both within and above the boreal forest.

“This forum was about sharing knowledge and perspectives between parties that don’t meet very often,” said Marie-Eve Sigouin. “We created bonds between people that wouldn’t otherwise have explored this issue together, further deepening our understanding of the species and its habitat.”

A lasting impact on the region

Team Caribou is a shining example of how positive change flows from a committed group that shares a vision, negotiates in good faith, and is given the autonomy to impact change. Its caribou conservation plan will have lasting significance for the region’s forests and biodiversity – and is essential to sustaining what is required by the new Canadian FSC Forest Management standard.

One year after the forum, Team Caribou’s spirit continues to resonate, owing in large part to the leadership and active engagement of the Abitibiwinni First Nation community. The collaboration continues to deploy elements of the conservation plan – most recently, an analysis of potential road closures that would restore caribou habitat in the area.

In the Detour forest range, there exists now a blueprint for others to follow, so all Canadian caribou herds can be better supported by those who are stewards of the land.

FSC STORIES 2021 PEOPLE

FSC Board of Directors Approved the FSC Core Labour Requirements

FSC reached an important milestone with the approval of the FSC Core Labour Requirements within the Chain of Custody (CoC) standards.

These new labour requirements put workers’ rights on the agenda for around 45,000 FSC CoC certificate holders worldwide, and let consumers know that FSC-certified products come from companies that are checked for their respect for workers’ rights.

The FSC Core Labour Requirements include:

- Effective abolition of child labour
- Elimination of all forms of forced or compulsory labour
- Elimination of discrimination in respect of employment and occupation
- Respect of freedom of association
- Respect effective right to collective bargaining



FSC Published New Guidelines on Free, Prior, and Informed Consent

FSC continued its dedicated approach to protect Indigenous Peoples’ and local communities’ rights by publishing new guidelines on free, prior and informed consent (FPIC). These guidelines focus on securing a participatory and equitable approach to decision making through the implementation of FPIC.

- The FPIC Guidelines are integral for organizations managing forestry operations on land where Indigenous Peoples or local communities have legal, traditional, or customary rights.
- FSC certificate holders must be unequivocal about any operation violating their rights, which is ensured by proper implementation of FPIC and the ultimate achievement of an FPIC agreement.
- FSC is proud to have developed a new version of FPIC Guidelines to steer certificate holders in forestry operations while holding up the rights of Indigenous Peoples and local communities.





Embracing Complexity to Find Simple Solutions for Smallholders in the FSC System

Smallholders and communities around the world face similar issues in preserving their forests and implementing responsible forestry practices; ensuring their livelihoods is often at the cost of their forests.

FSC Chile is implementing a new approach – the collective impact methodology. This new approach aims to empower smallholder, Indigenous Peoples and local communities in gaining FSC certification and ideally make a living from responsible forestry.

The new methodology requires collaboration between stakeholders based on the following five conditions:

- A common agenda
- A shared measurement system
- Mutually reinforcing activities
- Continuous communication
- A backbone organization

Despite the project being in its early stages, some initial key learnings are as follows:

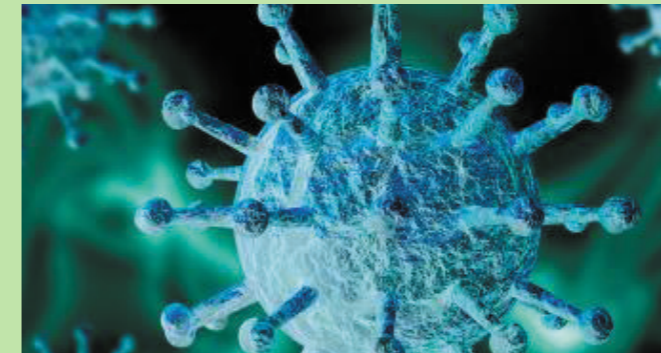
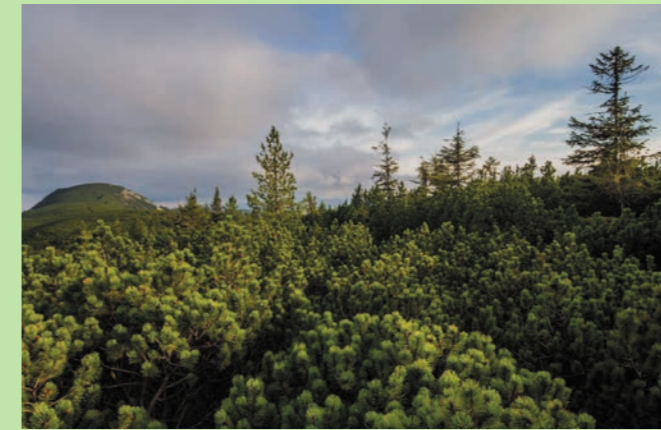
- Local intervention techniques work best with bottom-up efforts
- True change is a process, not a project
- National FSC standards must include indicators more relevant to Chilean smallholders
- Engagement can help alleviate pre-existing biases – smallholders and local communities have now begun to get involved in the collective impact project.

FSC is proud of the work done so far with the collective impact methodology and looks forward to further exploring innovative approaches that can be applied globally.



Forests can Protect us From Future Pandemics if we Give Them a Chance

The COVID-19 pandemic has highlighted the link between the health of nature and that of humans. Science shows that protection of forests, and the people and biodiversity within them, is key to disease prevention.



Though the outbreak of the Covid-19 pandemic largely took citizens and governments worldwide by surprise, many scientists had been predicting such an event for a long time. Studies linking the health of humans and forest go back more than 40 years, and evidence has increasingly pointed the finger of blame at human-caused damage to forests.

In 2001, a study by the University of Edinburgh's Centre for Tropical Veterinary Medicine indicated that 75 per cent of all infectious diseases emerging in the last 50 years came from wildlife. These are known as zoonoses, and include HIV, H5N1 bird flu, hantavirus, and most recently, Covid-19.

Subsequent research has linked new infectious diseases to deforestation. Though focusing on different diseases and different regions of the world, these studies have concluded that as forests are destroyed, animals that live in them and can carry diseases to humans, such as rats and bats, are forced into ever smaller areas. This brings them closer to humans, and therefore increases the likelihood of diseases 'spilling over', in other words, gaining the ability to jump from one species to another.

One well-known example is the Ebola virus epidemic of 2014–16, which is estimated to have killed over 13,000 people since its discovery in Africa in 1976. The disease was found to have been spread to humans from fruit bats.

Research published in *Nature* in 2017 found a significant link between outbreaks of Ebola along the edge of rainforests and forest losses within the previous two years. Preventing the loss of forests could reduce the likelihood of future outbreaks, it concluded.

A Link to Deforestation

The devastation caused to lives and livelihoods by Covid-19 has put an increasing spotlight on the issue. As countries worldwide went into lockdown in March 2020, the Executive Director of the United Nations Environment Programme, Inger Andersen, warned that nature was sending humans a message: "Our continued erosion of wild spaces has brought us uncomfortably close to animals and plants that harbour diseases, which can jump to humans."

Earlier this year, French researchers Serge Morand and Claire Lajaunie made the first attempt to investigate on a global scale whether the loss and gain of forest cover can promote outbreaks of zoonotic diseases. It examined global trends between changes in forest cover in recent decades and epidemics of infectious diseases in humans. Their research documented that increases in outbreaks of zoonotic and vector-borne diseases from 1990 to 2016 are linked with deforestation, mostly in tropical countries.

However, there are still plenty of unanswered questions. Julia Fa, Professor of Biodiversity and Human Development at Manchester Metropolitan University who co-authored the study on Ebola and deforestation, said that though there was a strong link between deforestation and Ebola, they did not know what occurred in the two years between the two events.

“That’s the million-dollar question! The simplest way of looking at it is that there’s a balance between viruses, pathogens, and animals and if you suddenly disrupt that balance viruses grow in numbers and become much more active in certain periods, and if you have people in between there’s going to be a spread of viruses into animals, and then from animals to people,” she said.

The increased activity of viruses when disturbed has been dubbed ‘viral chatter’ by US researcher Nathan Wolfe.

“If the equilibrium between pathogens and receptors is broken, you’re giving advantage to certain pathogens over others,” Fa continued.

“The key missing piece of the puzzle is the linkages between pathogens, animals, and human beings, and the mechanism that promotes the surge of viruses,” she added. “This would enable the prediction of future outbreaks.” Fa and her team are working on compiling all existing information to develop a map of areas that are likely to be prone to diseases.

“More research needs to be done to uncover what viruses are present in areas that have suffered deforestation ten, five, two years ago, and currently to understand what is happening to viruses and pathogens through time,” she said.

Reforestation Needs to Benefit Biodiversity

Links have also been found between reforestation and disease outbreak, since planting trees can also result in disturbing balances in a forest and bring animals and humans closer together.

Morand’s research found this mostly to be the case in temperate countries, and was mainly caused by the planting of monoculture plantations or when land that had previously been savannah or grassland was converted to forests.

“Reforestation programmes such as the UN’s REDD+ programme – which encourages developing countries to reduce forest loss and degradation and expand existing forests – need to benefit biodiversity and human health, and not just focus on climate change”, Morand said.

To effectively protect forests and prevent disease spillover, experts agree that indigenous people need to be actively involved. Indigenous communities live in a way that aims to preserve the balance of their ecosystems as well as their biodiversity.



Indigenous Wisdom

Research published in 2017 identified for the first time the global extent of indigenous lands and found that they manage or have tenure rights over at least 38 million km² in 87 countries or politically distinct areas on all inhabited continents.

This represents over a quarter of the world’s land surface, and intersects about 40 per cent of all terrestrial protected areas and ecologically intact landscapes (for example, boreal and tropical primary forests, savannas, and marshes).

It concluded that collaboration between conservationists, indigenous peoples, and governments would be highly beneficial for ecosystem protection.

This conclusion is echoed by other reports, including one by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), which has recommended that the knowledge of indigenous peoples and local communities is involved in pandemic prevention programmes.

Indigenous people will also be key to initiatives using the One Health approach, which is endorsed by the World Health Organization (WHO) and involves the designing of programmes and policies locally, nationally, and globally to attain the best health for the planet as a whole – people, animals, and the environment.

For example, the UN’s Convention on Biological Diversity – the body that manages the global treaty on the protection of wildlife and plants – has recommended that policies to protect habitats such as forests consider the use of natural resources by indigenous and local communities, and that human health is considered when carrying out ecosystem restoration.

Protecting Forests Protects Public Health

Human health will also be a key component of research being carried out by a new global panel on forests and human health, convened by the International Union of Forest Research Organizations. Morand, one of the panel’s members, explained that it will consider not only the negative aspects of forests and infectious disease for humans, but also how protecting forests benefit well-being and good health for people. “I think this work will really provide science-based evidence to policy on this issue,” he said.

Kim Carstensen, FSC Director General: “Protecting forests is crucial for many reasons – and preventing future disease outbreaks is one of them. Now people, companies, and governments are becoming more aware of the essential role forests play worldwide. At FSC, we have been con-

tributing to forests and biodiversity protection for more than 26 years, and we will continue with full dedication. Together we can work to protect *Forests For All Forever*.”



FSC Published Guidance for Stakeholder Engagement

This new FSC guidance outlined an easy-to-use set of examples to engage stakeholders looking to get FSC certified or those already certified. FSC members and other stakeholders can also apply this guidance towards their stakeholder engagement practices.

The FSC Guidance for Stakeholder Engagement can be viewed at <https://connect.fsc.org/document-centre/documents/resource/491>.



Callería: an Indigenous Community Safeguarding the Forest for Future Generations

It was an early morning start in the Peruvian Amazon, but we had a lot of ground to cover that day.

We were meeting with the team of the Association for Research and Integral Development (Asociación para la Investigación y el Desarrollo Integral, AIDER), to jointly undertake the long journey to visit the Callería community. We headed to the agreed meeting point, the port of Pucallpa, one of the most important ports in the area. From there, we undertook a three-hour river crossing in a motor boat to our destination.

As we sailed down the rushing Ucayali River, leaving all manmade structures behind, the rainforest thickened on both shores. Pink dolphins raced alongside the boat, dorsal fins glinting in the sun which was already burning hot even though it was not yet noon. A few herons rested on the logs that were floating close to shore, while other bird species had already started their day fishing, flying and preening. They were following their usual routines in their natural habitat, and we were the spectators looking on in wonder.

After almost two hours of travel, we reached the distributary of the much smaller Callería River. At this point, the sounds of the forests increased considerably, as though the whole ecosystem had awoken to welcome us. There were no longer any large boats here and river traffic was quite limited. However, we had to lower our speed to circumvent fishing traps. Shortly before noon, we arrived at the community of the same name, where we were warmly received.



The Callería community is split into an urban expansion area, an agricultural area, a hunting area and a forest area. About 50 families of the Shipibo-Conibo ethnic group live here, and they have their own language, although most of them also speak Spanish. The primary economic activities undertaken here are wood harvesting, fishing and the sale of handicrafts, the latter being almost exclusively the responsibility of women.

The urban area straddles a main street covered with vegetation where chickens flutter freely. On both sides of the street there are houses and the communal premises, all raised about 2 meters above ground level. The reason for this is that between the months of January and April, heavy rainfall frequently leads to flooding. During the rainy season, artisan canoes are the only means of transport and it is not possible to access the forest.

In previous decades, community forest harvesting was carried out without any management planning. The inhabitants and other people outside the community focused on cutting down whichever tree species were most in demand among the timber traders of Pucallpa without restriction. Nevertheless, as the years went by, they realized that it was increasingly difficult to find these specimens. There was also a shortage of the bark used by women to dye their handmade textiles. It appeared as though the forest was giving them a strong and clear message.

Starting in 2000 with the assistance of AIDER, the community began a process of analysis and developing a new, more sustainable approach to forest management. After five years of hard work and commitment, they became the first community concession to obtain FSC forest management certification. The learning and enhancement of the forest continues, allowing both the community and the forest to reap the benefits.

According to Alba Solis, Director of FSC Peru, this work and the partnership between the Indigenous Shipibo communities with AIDER marked a milestone for FSC in the country: "They were one of the first certified initiatives to see the importance and benefits of certification and have been working tirelessly to conserve their home: the Amazon rainforest."

Taking care of the Amazon rainforest

After meeting the community members, we travelled 15 minutes by boat from the community's urban development area to the forest production area. Equipped with high rubber boots, reflective vests and protective helmets, we set off into the forest. Singing birds and colourful insects welcomed us.

As per the new forest management approach, the concession is divided into various forest management units, and the community only harvests one unit partially each year. To verify compliance with the standards, they are regularly subject to a mandatory audit conducted by independent entities.

Additionally, there are a number of hectares protected for conservation purposes. Jacobo Rodriguez, a member of the community, said: "Here we are, so that later the community of Callería will still have a forest. So that our children and grandchildren have trees and can continue to work with nature."

After several minutes of walking among the vegetation and trees, we arrived at a plot that had been recently harvested. There, the community leaders showed us some remaining tree trunks bases standing far apart with several intact trees in the middle. Some had the letter "S" painted on the trunk, indicating that this is a seed tree which will contribute to the regeneration of the forest.



Alfredo Rojas, one of those in charge of forest management, told us that before harvesting, the community first meets to draw up an operational plan. Then, they organize themselves into groups to take a "census" of the forest. Later, they prepare the area so that they can operate according to the established guidelines. "From there, we apply directed logging, respecting the minimum cutting diameters and the minimum

impact on the soil and vegetation. Before, we didn't harvest in a planned way. It's been quite a learning process."

The further we went into the forest to visit other plots where there had been harvesting activity several years ago, the more we marveled at how sustainable management allows these forests to be conserved. The plots were already covered with vegetation and new trees were growing alongside those that remained intact according to the management plan. Alfredo told us: "Sustainable forest management brings us many benefits. We have improved our housing infrastructure, we generate jobs, we can be economically self-sufficient and, at the same time, we contribute to the conservation of the forest."

Currently only 4 of the 86 timber species identified in the production area are harvested: Capirona (*Calycophyllum spruceanum*), Quinilla (*Manilkara bidentata*), Lagarto (*Calophyllum brasiliense*) and Utucuru (*Septotheca tessmannii*). After directed logging, the next step is the primary transformation of the timber, for which they use chainsaws and other equipment they have at their disposal. They gather the material, take it out of the forest and bring it to the port of Pucallpa. One portion of the timber is sold and the other goes to the Indigenous Technological Innovation Center (Centro de Innovación Tecnológica Indígena, CITE) located in the city.

"At the moment, the volume of illegal wood on the market drives down the price. But we are confident that we are not far from achieving the goal. We are also inspired by the fact that we are leaving a legacy for the next generations, ensuring their future and contributing to the world by mitigating climate change," Alfredo said.

Weaving traditions

Back at the community, we joined a group of women in the hut where they gathered to design and embroider the fabrics they use to make various products, from glass holders and table runners to bags, clothing and even huge and beautiful looms to decorate any room in the house. All items are made with great love and care. After all, this is an art form that has been passed on from generation to generation. "In all these years the community of Callería has been reinventing itself and innovating hand in hand with AIDER to generate greater benefits and strengthen the important role that women have in these processes," explained Alba Solis of FSC Peru. The first step in creating these works of

textile art is to obtain white cotton fabric from the port of Pucallpa. The women then cut it into squares of about 2.5 meters to make it easier to handle. The dyeing is done with tree bark and other plants harvested from the community forest. They use different species depending on the desired colour. For example, the Yacushapana's dye is dark brown, while the Ushinpocote gives an ochre tone. Before implementing the forest management plan, women had to go further and further into the forest to find the trees they needed to make the dyes for the fabrics. Now, they don't need to travel far to find the ideal specimens.



The bark is boiled until it releases its essence and that's when the fabric is dipped. Later, as the wood-fired cooking pot cools, the fabrics are laid out on the floor to dry evenly in the sunlight. Once dry, they are transported to the hut and the women carefully paint ancestral designs onto the fabric, thereby tattooing the cotton with a piece of history.

These designs are delicately painted with river mud, which is very rich in nutrients. The mud penetrates and stains the cotton strands. The next step is to wash it so that only the deepest stains of the mixture remain. Finally, the women embroider the fabric with coloured threads, following the patterns of the embossed design and highlighting the contrast. This whole process takes about 15 days of manual labor.

Sarela, one of the leaders of the group and Alfredo's wife, tells us: "I like the forest because I can use the bark of the trees for my handicraft work. My mother taught me how to draw and design the ayahuasca flower since I was a child. It gives me a lot of security to know that the inputs come from a forest that is well cared for and will remain there over the years."

She told us that creating this traditional art makes her feel good because it is deeply rooted in her culture and allows her to contribute economically to her household. The income she receives from the sale of the products, and her husband's salary has allowed them to send their oldest son to study in the city of Pucallpa. "I'd like people to come and see Callería, our work and nature."

After eating "carachama," a type of river fish accompanied by rice and banana, we prepared to board the boat back to Pucallpa. Before leaving, Alfredo asked us to share a message from him: "Come and meet the community of Callería and the forest, see how we work and our techniques. We are ready to share our experiences to collaborate with the world."



FSC Worked for a Greener EU Recovery Plan

FSC has worked with members of the European Parliament, trade unions, think tanks, businesses and NGOs to pave the way for a new green recovery.

In December 2020, the European Parliament and the Council reached a final agreement on the €700 billion European Recovery Plan. This step paves the way for the implementation of a green recovery.

As a member of the European Alliance for Green Recovery - which currently has more than 300 signatories including Ministers, CEOs, Members of the European Parliament, trade unions, NGOs and think tanks - FSC is proud to celebrate this victory.

The European Alliance for Green Recovery, led by Member of European Parliament Pascal Canfin, has fought for and managed to include the following key elements in the agreement:

- In the recovery plan that each Member State will submit to the European Commission, at least 37% of the financing must be dedicated to the fight against climate change.
- All recovery plans financed by the European Union (EU) will have to respect the “Do No Harm” principle. This ensures that 100% of the funds will have no negative impact on the climate and the environment.
- To avoid greenwashing, a new methodology has been created based on taxonomy to track climate-related spending. This guarantees that only investments that are truly favourable to the fight against climate change will be considered.

This unprecedented deal will make it possible at the European level to mobilize around €250 billion for the fight against climate change between now and 2024. It is the biggest green investment shock ever made at the European level.

As steward of forests, FSC will keep working with the EU Institutions to make sure that sustainable forestry policies are embedded in EU policies and legislations.



Indigenous Peoples and the Forest

Indigenous Peoples make up some 5 per cent of the world's population. Many of these communities live and work in forests and are crucial for its conservation for generations to come. FSC published a series of videos that highlight the importance of Indigenous Peoples in forestry.

FSC® recognizes the importance of these communities and is committed to working with them...



For the success and sustainability of forests across the globe...



Community Forestry: Reducing Forest Fires in Guatemala's Mayan Biosphere Reserve

Globally the number of forest fires increased in 2021, severely damaging the world's major forests and devastating ecosystems, communities, and wildlife.

Forest fires increase air pollution, negatively impact climate change, trigger higher temperatures and dry environments, which in turn increases the risk of more fires.

- Humans are responsible for around 75 per cent of all forest fires. (According to WWF & Boston Consulting Group)
- Tropical savannas constitute 19 per cent of total land cover & account for 85 per cent of area burned annually.
- Sustainable forest management stands out as an effective way to significantly reduce the occurrence of forest fires.
- Guatemala's Mayan Biosphere Reserve (MBR) is the largest complex of protected areas in Central America, with an area of 21,600 km²
- The MBR was created with the purpose of preserving the natural and cultural heritage for present and future generations.
- It comprises a network of more than two dozen different management units – 11 units are 25-year forest concessions – 9 of which are managed by local communities who obtain wood and other forest products.
- 476,845 ha of the MBR are FSC certified (divided into 9 communities & 2 private concessions).

Over the past 30 years, the results achieved due to responsible forest management in the MBR are worth highlighting:

- Almost zero deforestation (0.4 per cent), contributing to maintaining 70 per cent of the state of conservation of the MBR.
- In the communities, levels of child malnutrition are lower, school attendance rates are higher, and there is little migration.
- More than 1.5 and up to 11.3 jaguars per 100 km², the highest reported values of the species in the country.
- Less than 1 per cent of forest fires impact community forest concession areas.



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The consumers have spoken.
Join our mission to protect the world's forests.



FSC® (Forest Stewardship Council) is the worldwide leader in responsible forest management solutions. FSC's products are made from responsibly sourced wood, bamboo, palm oil, and other natural materials. FSC's products are made from responsibly sourced wood, bamboo, palm oil, and other natural materials. FSC's products are made from responsibly sourced wood, bamboo, palm oil, and other natural materials. FSC's products are made from responsibly sourced wood, bamboo, palm oil, and other natural materials.

Lottery Company Bets on a Biodiversity-Restored Forest in France

Française des Jeux has signed a sponsorship deal with International Paper (IP) Forêt Services to support a crucial biodiversity restoration project in south-western France. The funding helps maintain good forest practices verified through the FSC Ecosystem Services Procedure.

Groupe Française des Jeux (FDJ), a French lottery company, is now sponsoring the restoration and preservation of biodiversity in the forest of Saint-Sylvestre, located in the region of Haute-Vienne, France. The forest, designated as a High Conservation Area, is owned by a group of FSC certificate holders and is represented by IP Forêt Services, a subsidiary of International Paper. This branch coordinates IP's forest management actions in France.

The innovative project supported by FDJ seeks to maintain, improve and restore vital habitats for rare and endangered species. Some of these species are included in the International Union for Conservation of Nature Red List, the world's most comprehensive information source on population health of animals, plants and fungi. Because of their efforts, IP Forêt Services was entitled an FSC biodiversity claim, certifying the positive impact of its forest management practices on St. Sylvestre's natural forest characteristics. The company counted on the support of WWF France and other biodiversity experts to implement the initiative.

What is an ecosystem services claim?

An ecosystem services (ES) claim is a title or assertion of a verified impact that forest practices have on one of the following benefits: biodiversity, carbon, recreation, soil or watersheds. Associated with FSC's widely recognized trademark, ES claims are issued through a verification process based on the FSC Ecosystem Services Procedure and are approved by an independent certification body. They can be used by FSC

certified Forest Managers and their sponsors to tell impact stories. This helps attract economic benefits to people that conserve these valuable forest assets.

Importance for the forest manager

Emmanuel Ripout, director at IP Forêt Services, states, "When the FSC Ecosystem Services Procedure appeared, we saw a new possibility to offer property owners implementation indicators that highlight the actions we take every day. The Procedure enables resource mobilization to strengthen the protection of forests, allowing our customers to join forces with us, and reinforces the environmental image of our products."

As part of the company's Vision 2030 goals, IP committed to conserve and restore 400 thousand hectares of ecologically significant forestland, protecting watersheds, biodiversity and other ecosystem services.



Sponsorship

For close to a decade, FSC has been part of Française des Jeux's Corporate Social Responsibility approach. Since 2012, 100% of the company's paper game cards are printed on FSC-certified paper. The newly sponsored ES claim builds on this long-lasting relationship: for the duration of 10 years, FDJ will support a 3-hectare set-aside area to preserve key species of bats, birds, and other threatened animals.

Aurélien Sautière, Executive Director at FSC France, believes that "this first successful sponsorship case in France is a noteworthy achievement, not only in relation to Saint-Sylvestre's forest managers and their arduous work, but as an example of a functional payment for ecosystem services scheme that sustainably rewards people for preserving nature." The initiative also paved the way for other upcoming ecosystem services projects with IP Forêt Services. In addition to Saint-Sylvestre forest, FDJ is now sponsoring recreational services in a national park located in Saint-Pardoux La Rivière. Christine Prouin, Corporate Social Responsibility Manager at Groupe FDJ, affirms: "this additional project highlights our company's efforts to make the public more aware of the need to protect biodiversity. That is also an integral part of our mission."

Get involved

By sponsoring the protection of ecosystem services, companies can strengthen their corporate social responsibility strategy and generate valuable marketing advantages. Many businesses are realizing this potential and investing in such nature-based solutions.

If you are a potential sponsor or partner interested in similar projects in France, please reach out to Maya Bentz at m.bentz@fr.fsc.org. For information on one of our other 67 successfully verified Ecosystem Services Claims in the world, please visit our webpage.



How FSC Congo Basin is Working to Certify 15 Million Hectares of Gabon's Forest Concessions

The Government of Gabon has issued a groundbreaking decision to certify 100% of Gabonese forest concessions to FSC Standards. This project is supported through a grant from the Prince Albert II of Monaco Foundation.

Libreville, Gabon – Gabon is the most forested country in the Congo Basin, in terms of percentage of forest cover, with a total of 22 million hectares of forests overall. Of that total, about 15 million hectares of the country's forests are managed concessions, with only about 2 million FSC-certified hectares. The recent government decision to require FSC certification in all forest concessions, as announced by Gabon's President, means that there is potential to increase the area under responsible forest management by around 13 million hectares.

The Prince Albert II of Monaco Foundation (FPA2) has awarded a grant of €240,000 to FSC to implement the "Achieving Forests for All Forever in Gabon" project over a three-year period. This will enable FSC to mobilize and work with forest management stakeholders and government actors to conduct robust training and communication activities to support the successful implementation of Gabon's sustainable forestry goals.



More specifically, the activities being implemented under this initiative aim to:

- Strengthen the commitment and capacity of government authorities / decision-makers to promote and implement pro-FSC certification policy measures and actions.
- Strengthen local capacity for field implementation of FSC certification-related activities and support technical understanding of FSC processes, procedures, and compliance.
- Improve appreciation, awareness (and sharing by FSC and its partners) of the values and benefits of FSC certification at local, national, and international levels.

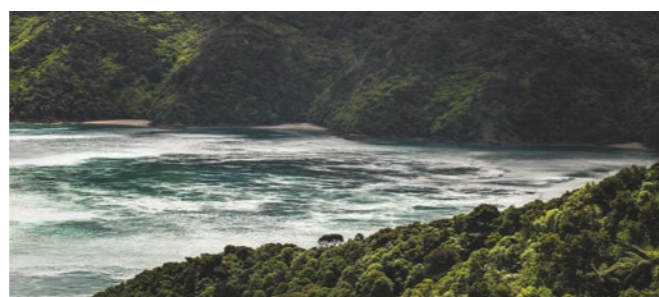
In late 2020, FSC took part in the Masuku Film and Environment Festival, where FSC Staff led information sessions on local environmental issues, including biodiversity and climate change. In February 2021, FSC Gabon office organized a press conference to present its 2021 action plan and officially announce the publication of the FSC national standard. On March 21, 2021, FSC Gabon participated in the International Day of Forests along with the Gabonese Minister of Water and Forests and the FAO representative in Gabon.

The FSC representatives in Gabon, including Mr. George Akwah, Coordinator, and Ms. Nathalie Bouville, Communication Manager, celebrated this international day dedicated to preserving forests at the Sibang Arboretum on the outskirts of Libreville, the capital of Gabon. They took part in a species discovery and planting session. Each participant was able to plant several Okoume and Azobe trees, two emblematic species of Gabon.

FSC Gabon also held information sessions for fifth-grade students in an elementary school in Libreville. FSC presented in classrooms to explain to the importance of forest preservation and biodiversity conservation. This pilot operation reached more than 100 students and will serve as a basis for developing an ambitious environmental education program in other schools in the country. Students learned about the importance of sustainable forest management, and how FSC certification can be an effective solution for combating deforestation, protecting biodiversity, and promoting local development.

The Prince Albert II of Monaco Foundation was established in June 2006 by Prince Albert II of

Monaco to respond to the worrying threats to our planet's environment. The FPA2 works to protect the environment and promote sustainable development on a global scale. The Foundation supports projects aimed at limiting the effects of climate change and promoting renewable energy, safeguarding biodiversity, managing water resources, and combating desertification.



FSC Continues to Protect Forests, People, and Biodiversity Through Standards

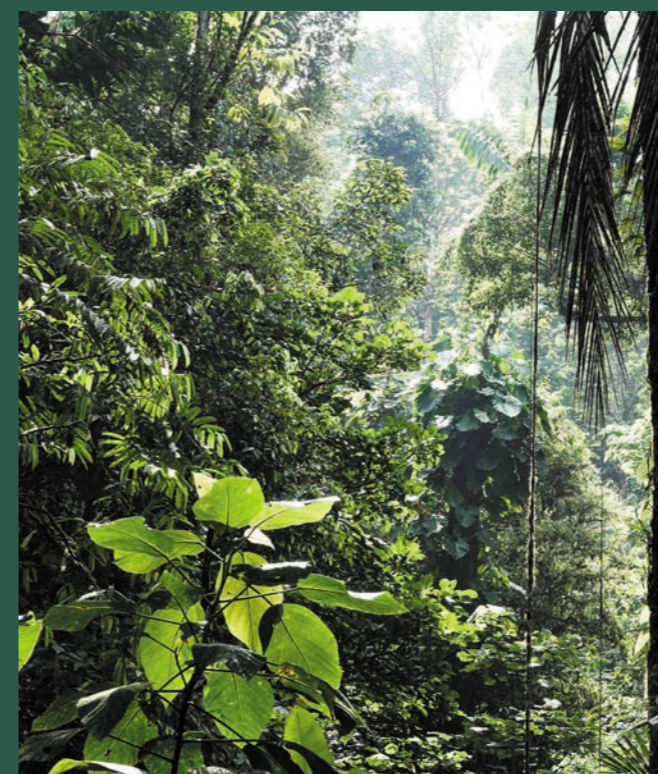
To achieve its mission and vision, FSC developed a set of 10 principles and 70 criteria that apply to FSC-certified forests around the world. To ensure that the Principles and Criteria are conformed with consistently, FSC developed international generic indicators.

As forests are in countries and regions with diverse environmental, economic, and social conditions, the international generic indicators are adapted to national, regional, or sub-national contexts to ultimately produce the FSC Forest Stewardship Standards. Forestry operations access FSC forest management certification in countries and regions with the help of FSC Forest Stewardship Standard.

In 2021, FSC released eight new national standards to promote responsible forestry in Cuba, New Caledonia, Belgium, Colombia, Uruguay, Sri-Lanka, Mexico & Kenya.

The Russian* and Chinese forest stewardship standards were revised to reflect local requirements and objectives. Many more are in the pipeline for 2022.

*Currently, due to the ongoing conflict, FSC Russia does not exist and no FSC-certified material or controlled wood from the country is permitted. *Monaco to respond to the worrying threats to our planet's environment. The FPA2 works to protect the environment and promote sustainable development on a global scale. The Foundation supports projects aimed at limiting the effects of climate change and promoting renewable energy, safeguarding biodiversity, managing water resources, and combating desertification.*

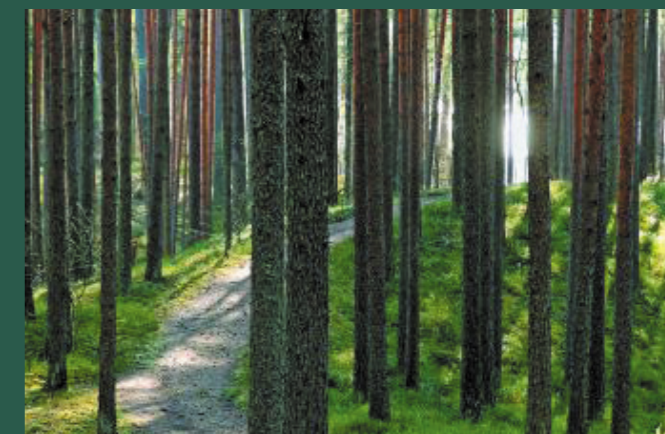


The Urban Forest of Latvia's Capital City, Rīga, is now FSC certified

Rīga, the capital city of Latvia, has been successful with FSC certification for its entire urban forest, following other European municipalities like Paris, Lisbon and Amsterdam.

Certification will ensure that multiple needs of people who depend on this forest are catered for simultaneously: space for recreation and inspiration, a healthy ecosystem hosting biodiversity, and wood to harvest for products of everyday life.

Riga is well known for its art nouveau buildings and spacious parks. Public recreation forests form a green crown around the capital, providing fresh air and the opportunity for residents to walk and relax. Over one million people live in Riga and the surrounding area, and because of these forests, they don't have travel far to experience nature.



The landscape of the Riga forest features woodlands and wetlands, which are home to various wild plants and animals. Scots pine (*Pinus sylvestris*) is the dominant tree species, and there are also birches (*Betula pendula*) and spruces (*Picea abies*). Visitors can enjoy a walk on a 6km-long wooden pathway over the wetlands.



"Rīgas meži" (Rigas Forests) is the forest management company that takes care of more than 60 thousand ha of municipal forests on behalf of the Riga municipality who owns them. The former Chairman of its Board, Mr. Aivars Tauriņš said: "The forests we care for are important to the majority of the Latvian popula-

tion. We invest a large part of the profit to care for and expand Riga's greenery." Tauriņš adds that the FSC certification helped them to understand where improvements were needed.

"I applaud the fact that "Rīgas meži" have risen to meet the requirements to be certified in accordance to the criteria established by Forest Stewardship Council", the mayor of Rīga, Mārtiņš Staķis said. "It is not just economy that depends on highly responsible management of the forests within and around the capital of Latvia, but also the quality of their ecosystem services like clean air and drinking water, healthy landscapes and abundant wildlife diversity. So, as the FSC standard implies, the forests are there for all of us."

Mr. Jānis Ģērmanis, Head of the Forestry Department, "Rīgas Meža" underlined that the certification process was another control measure to make sure they work in an environmentally friendly and socially responsible way. "We work with nature and environmental protection specialist, Mr. Edmunds Račinskis, so during the felling activities we leave trees of particular biodiversity value untouched. For example, we preserve all hollow trees or trees that could hold large nests that are useful for birds."

The company's permanent staff include nature experts who monitor high conservation values and assess the impact of forest management practices on the conservation of species. Large birds of prey, as well as European rollers (*Coracias garrulus*) and woodpeckers of various species nest in these forests. Responsible forest management means that along with conservation of ecosystems and care for people who depend on the forest, the managing actors can make their business a profitable activity. For that purpose, they can sell wood of the trees which are felled to cover for the costs of preserving biodiversity and maintaining the forest safe and clean for its visitors.

Mr. Jānis Stankēvičs, Production Manager, "Rīgas Meži" said "The certificate confirms that we manage our forests correctly and that we think about the future. We will expand our customers by those who care about sustainability of the timber they buy."

Urban green spaces are becoming more and more important with the ongoing urbanisation of society. They improve the quality of life of

people living in cities, and this has been highlighted during the pandemic, when parks and urban forests have been the only places to get away from work or household routine. Balancing the ecological, economic, and societal ecosystem services of urban forests which comes along with forest certification will be key in the urban planning of the future.

FSC Won Gold for the TreeBNB Digital Campaign

Since 2011, the Digital Communications Awards have been held every year to showcase groundbreaking ways social media is utilized for communication purposes. FSC applied for the first time in 2021 with the TreeBNB campaign.

After the first evaluation of applications from more than 400 companies and organizations, the TreeBNB campaign was shortlisted in two categories: Campaign of the Year – NGOs and Disruptive Communications.

FSC's communications team was invited to present the campaign's highlights to an expert jury of leading professionals and academics. Finally, the official announcement was made: TreeBNB won the gold for Disruptive Communications 2021.

The TreeBNB campaign has been a turning point, proving that creative approaches on social media can connect people with the forest. Through this connection, we can help our audience learn more about FSC and how it contributes to taking care of the world's Forests For All, forever.

Searching for the King Vulture in Ejido Nuevo Becal

Dawn breaks over the forests of the Mexican Yucatán, and a chorus of toucans begins in the treetops. Somewhere in the distance, a howler monkey bellows. We are walking along a forest trail in Ejido Nuevo Becal in search of a king.

The king we're seeking isn't some remnant ruler of the Mayan temples rising out of the carpeted jungle floor, but an avian emperor; the king vulture, or *Sarcoramphus papa*, one of the New World's largest vultures and one of its most threatened. Yet, in Ejido Nuevo Becal, these enigmatic vultures are thriving thanks to the community's sustainable forestry practices and commitment to conservation.

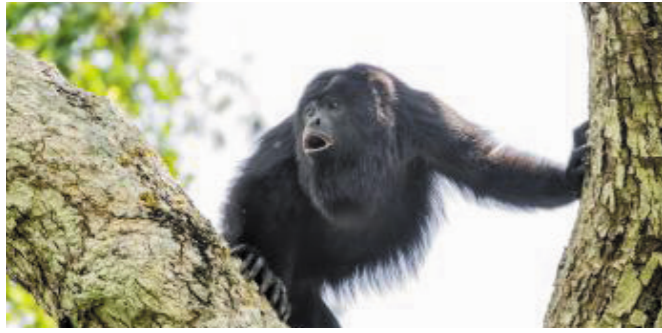
Ejido Nuevo Becal is in the municipality of Calakmul, in the southern Mexican state of Campeche. It covers just over 51,000 hectares in the jungles of the Yucatán, of which more than 99 per cent is classed as 'voluntarily assigned for conservation'. To date, this is the largest such protected natural area in the whole of Mexico. Since the Ejido was granted Forest Stewardship Council (FSC) certification in 2016, it has gone from strength to strength and currently supports over 350 people, consisting of 74 ejidatarios (community leaders) and their families.



Ejido Nuevo Becal is biologically and culturally diverse, as it is made up of inhabitants from different regions of the state of Campeche, including indigenous groups from the Mayan and Chol cultures. The Ejido has a robust governance structure, and decisions on the responsible management of its resources are carried out through the organisation and participation of its members. The system promotes equal participation and access to development and capacity-building for the entire community. This is demonstrated by the inclusion of women in projects and the productive diversification of the Ejido's resources, thus increasing the ejidatarios' sources of income and ensuring the permanence of forest resources for future generations.

We're joined on our quest by Hector and Ernesto, two community members charged with managing the Ejido's natural resources and protecting their enviable biodiversity from exploitation. It's a fine line to walk, but Nuevo Becal has found a way to make their resources profitable and beneficial to the entire community while protecting these forests and helping them to thrive. Together we are hiking along through a 500-hectare section of forest specifically designated as a king vulture sanctuary.

From the dense canopy overhead, we hear branches rustling and a series of quiet whistles and squeaks. Suddenly a small group of Yucatán spider monkeys swings into view, their long limbs and prehensile tails expertly gripping the branches, propelling them through the trees at a surprising speed. They're a curious and wary primate, and from high above us they pause in their foraging activities, aggressively shaking the branches at the sight of humans down on the trail. Before long, though, they relax and begin feeding on fruit and quietly grooming themselves.

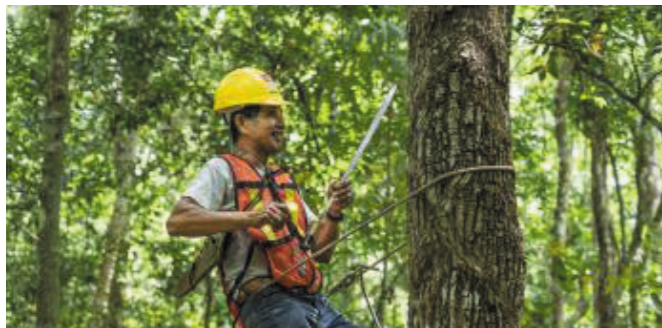


The fruit they are happily gorging on is ramón, the large citrus-flavoured seed of the *Brosimum alicastrum* tree, a member of the fig family and an essential food source for several forest creatures.

Ramón is also the latest product in a long line of diversification in the forest economy of Nuevo Becal. A collective of sixteen women in the Ejido was recently granted 5,000 hectares of land to harvest ramón, a seed also known as 'bread nut'. They turn it into a range of products including flour, coffee and horchata (a local drink).

The Women's Ramón Collective is an excellent example of how the Ejido effectively manages its natural resources and balances productivity with conservation. Some 5,000 newly protected hectares of forest, rich in ramón-bearing trees, is not only good news for the sixteen women and their families, but it will also benefit the endangered spider monkeys. Ramón fruit is a cornerstone of their diet, and the low-intensity, low-impact nature of the collective's harvesting means that plenty of fruit will remain for the monkeys.

Another tree that provides food for the spider monkeys and a source of income for the community is the chicozapote (*Manilkara zapota*). While the monkeys enjoy the sweet, malty flavoured fruit, the residents of the Ejido benefit from a different non-timber product: latex, or chicle as it is known locally. Around 20 chicleros (rubber tappers) are currently working in the Ejido, and the latex produced in Nuevo Becal is certified by FSC.



A day earlier, we met Pedro, who has been working with chicle for 25 years now. Before we even started talking, Pedro had shinned up a large chicozapote and started expertly slicing a ladder of cuts into the rough bark with his machete. Instantly, the cuts began to glisten with a thick white liquid, which slowly ran down the network of slices and gathered in a deep gourd at the base of the tree. It's easy to spot a chicozapote in the forests of the Ejido – the larger trees all carry the scars of years of rubber tapping. Thankfully, this practice causes no long-term damage to the trees. Chicozapote remains an essential food source for many mammal species and is a cornerstone of the Ejido's income.

Back in the forest, the path now starts to descend a muddy slope. As we carefully choose our steps over the slippery rocks, we hear the sound of running water nearby. Ernesto suggests a detour down to the creek. The forests of the Ejido are a vital watershed in the jungles of the Yucatán, with at least 56 large bodies of water registered in Nuevo Becal. Hundreds of small creeks and rivers criss-cross the forests, and the king vulture sanctuary is home to the source of a number of those.

We walk off the trail down to the banks of the creek. Looking down into the clear water, we spot a small crocodile sunning itself on a flat rock in the middle of the channel. Startled by our sudden presence, it slips soundlessly into the water and swims downstream. According to Ernesto, they regularly encounter large adult crocodiles six times the size of this youngster in the many big lakes dotted around the Ejido.

Not only do these lakes provide a valuable habitat for species like the Morelet's crocodile, but they are also the source of the community's water supply. So by preserving the forest, the residents aren't just helping to conserve the wildlife around them; they are also ensuring that creeks like this one don't dry up and continue to feed the lakes on which they depend.



Ernesto knows these forests like the back of his hand, and he points out a muddy bank where he once came across a Baird's tapir (*Tapirus bairdii*) bathing. The mammal biodiversity in Nuevo Becal is astounding, and, as if to hammer home the point, a couple of hundred metres further along the trail, Hector stops and points out a large patch of earth that has been scraped and disturbed. Alongside the patch sits a fresh pile of dung. Sometime in the past few hours, a jaguar has walked along this same path. It could even be somewhere in the forest around us now, silently watching from the dense undergrowth.

The healthy jaguar population in the Ejido is more evidence of a well-managed and healthy forest ecosystem. Hector's camera traps have captured several of them prowling the forests within just a few kilometres of the community. A recent grant will soon allow a team of biologists to fit radio collars on two jaguars to monitor their movements further, and better understand their habits in the Ejido. Nuevo Becal's FSC-certified status helped them win this grant: Hector tells us that FSC certification opens up many doors since it acts as a stamp of approval and clear evidence of good practices during the application process.

In fact, with Nuevo Becal's 46,000 hectares of protected forest and a further 35,000 hectares in an adjacent Ejido, these jungles form one of the most significant protected jaguar corridors on the continent. They are potentially one of the secretive big cat's most important strongholds. This jaguar population also points to a healthy ecosystem from top to bottom since the jaguar is a keystone species that depends on stable prey populations for survival. Deer and tapir populations in Nuevo Becal are on the rise, mirroring the ascendancy of both jaguar and puma populations in these vast forests.

Jaguars are the headline predator stalking these jungles. Still, throughout our stay at Nuevo Becal, we observed many other less showy predators whose presence is also a sign of a healthy ecosystem at work. For example, walking through the forest at dawn, the sharp, barking call of the barred forest falcon echoes through the canopy, and the cawing call of the larger collared forest falcon periodically sounds in the distance. On one evening walk, we even spot both of these shy forest raptors in quick succession, and later in the day, Ernesto points out a bicoloured hawk – another rarely seen forest predator – silently perched on a branch overhanging the road.



The relative abundance of these species is a clear indication of the health of Nuevo Becal's forests, and a further sign that their forestry practices are being managed sustainably and with conservation in mind. Forest falcons require thick forest cover to survive. Studies have shown that collared forest falcons prefer to nest in the cavities of cedar trees, a tree species often exploited by the logging industry. Cedars are harvested in Nuevo Becal, but only within a specific, well-defined area and within the strict limits required for FSC certification. In short, the Ejido appears to have found the perfect balance between sustainable forestry and conservation.

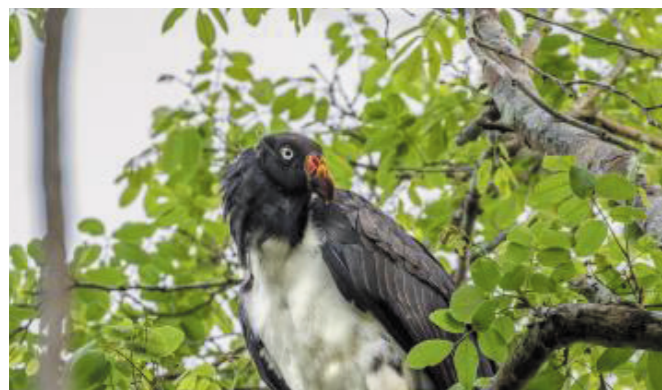
As we settle in to wait, we hear an insistent humming sound from a flowering tree in the canopy. It's a swarm of bees, out harvesting nectar. The previous day, we had joined Antonio Guzmán Montejó as he visited his apiary to collect the honey from one of his bee colonies. Apiculture has become one of Nuevo Becal's most profitable activities in recent years, and Antonio is now able to live solely from the income generated by his bees. There are currently 35 community residents who own hives, and beekeeping economically benefits more than 200 people.

As well as being a tremendously profitable business for many members of the community, Antonio explains how apiculture benefits the Ejido ecosystems at the same time: "It's an environmentally friendly activity. We help pollinate the trees, so there's more fruit, more seeds, more regeneration year on year. And it's good for the animals too, as they have more to eat."

He also tells us how FSC certification has vastly improved the apiculture business in the Ejido. A more biodiverse and protected forest

means more flowers for his bees to pollinate and better-tasting honey. He now sells his own brand of honey – ‘Miel Selva Tropical’ – locally in Campeche state, with plans to branch out to Mexico City shortly. He explains how customers are happy to learn that the honey comes from FSC-certified forests. The Ejido’s thriving apiculture business is a further testament to the community’s commitment to diversification and conservation.

As the buzzing of the swarm dies down, we suddenly hear the sound of a large bird flying nearby. As if from nowhere, a giant winged shadow passes low overhead, and there it is: a huge adult king vulture, staring imperiously down at us from the mahogany tree. The bird’s red and orange head wattles would give it a faintly comical appearance were it not for the piercing white eyes that help it locate food from miles away. The vulture’s arrival visibly enlivens Hector. Later he explains that, even though he monitors the vultures regularly, he feels privileged to work protecting them. “It’s a luxury to see them that not many people have, and I’m always happy to see them here.”



Over the next half hour, a dozen more vultures arrive at the tree, including at least three juveniles. The presence of these young vultures is excellent news for the Ejido since it shows that the birds are successfully and regularly reproducing. Hector, whose job is to monitor the vulture population, tells us that he has registered thirty-five king vultures at this site and that the population appears to be stable. This stability bucks the prevailing trend in the Yucatán, where king vultures are on the decline, principally due to deforestation.

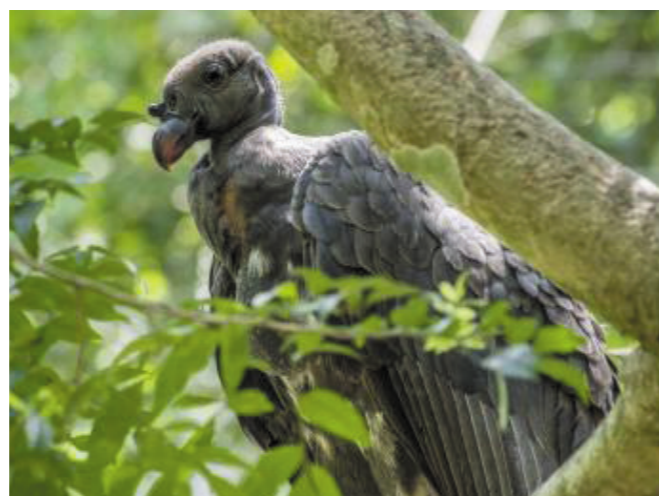
King vultures are classified as an umbrella species, meaning that their protection indirectly protects many other species that make up the ecological community of their habitat. As the

biggest vulture in the region, they also provide the vital service of cleaning the environment of dead animals, protecting local people and livestock from the spread of disease. Furthermore, they often perform the initial cut on large animal carcasses, allowing the smaller vulture species to feed. It’s safe to say that the king vulture is one of the most vital species living in these jungles. Their loss would be catastrophic for the ecosystems of Calakmul.

The king vulture, one of the most emblematic species in the Mayan culture, has become a symbol of Ejido Nuevo Becal. The fact that this species has found sanctuary here in these jungles is the perfect demonstration of the possibility of aligning profitability and development with sustainability and environmental consciousness. When we ask people in the community about the birds, everyone replies with fondness and pride that their actions contribute to the survival of these magnificent vultures. It’s a testament to the community-wide commitment to conservation that defines Nuevo Becal and makes it such a unique place.

As suddenly as they arrived, the vultures take flight, one by one. A small troop of black howler monkeys has arrived and disturbed their rest. As the male howler starts to grunt and whoop at us, marking his territory, we turn and head back out of the forest.

Ejido Nuevo Becal has the rare feeling of a place where humans and nature have managed to strike a perfect balance, where forestry exists alongside exceptional biodiversity, and where the people understand that there is no future without nature. As Ernesto puts it: “If we just chopped down this forest, we would only benefit once. But, by managing it sustainably, we can benefit year after year and make sure that the forest is protected at the same time.”



Silence Has Been Broken – Harvesters Disturb the Wildlife Breeding Period in Ukraine

The ‘period of silence’ is the time of the year when wild animals breed and it is prohibited to carry out activities that are a source of noise and disturbance in animal breeding sites, such as fireworks, use of small motor vessels, rallies or sanitary cuts of trees. In Ukraine, that period is set from 1 April to 15 June and applies to all forests, whether they are FSC certified or not.

Unfortunately, the legislation is not strictly adhered to by forest managers in Ukraine, and sanitary felling operations are undertaken in Ukraine’s forests. Sanitary felling is removal of trees that died or were damaged as a result of pests, diseases, wind or fire. Regular felling, however, is still allowed at this time. The contradictions in the laws around silence period are part of the reason causing infringements.

As the most trusted tool for responsible forest management, FSC must make sure that its system of certification reinforces and complements national laws in the countries where it operates. Therefore, FSC must ensure that the period of silence in Ukraine is adhered to in FSC-certified areas. Thanks to publicly available data, FSC Ukraine recently came into possession of evidence that some FSC certificate holders have broken the law and at the same time - the FSC standards.

FSC has escalated this evidence to the relevant certification bodies at the national and international level as well as ASI. FSC has instructed them to investigate these probable breaches immediately, and to take strong actions should the breaches be confirmed. This has in turn led to ten certificates being suspended. Other certificate holders breaching the rules risk the same consequences. The suspension of certificate means that the certificate holder cannot make any FSC claims on sales after the date of the suspension.

Despite the challenges and inconsistencies posed by the national regulations, most FSC certificate holders strictly follow the rules. In an attempt to strengthen enforcement of law and governance, FSC has initiated dialogues with Ukrainian authorities, forestry enterprises, and civil society stakeholders to revise and align the national forest policies, with the aim of removing such inconsistencies and contradictions.

These multi-stakeholder, decision-making initiatives called “Forest Dialogues” and “Ukrainian Forest Platform” offer support in developing solutions through open conversations between different parties that have an interest and relevance in forest policy formulation. The goal is to find a way forward that can be broadly accepted by all relevant parties: environmental NGOs, wood-working companies as well as authorities.

The dialogues will pave the way for Ukraine to develop an improved forest governance framework and to better enforce its forestry legislation, including the one related to sanitary logging. Although it is a process that will take time given the complexities and perspectives involved, FSC’s leadership in Ukraine clearly demonstrates that our mission goes beyond certification of forests in Ukraine. Ultimately, FSC has an important and positive role to play in helping societies come together to agree on the longer-term vision and value of forests in their countries.

If you want to learn more about the shortcomings of the regulation banning sanitary cuttings during the “period of silence” in Law No. 322, read the FSC Ukraine analytical report on ‘Compliance on the legislation requirements regarding the ‘period of silence’ in forestry’.



There are Elephants in the Forest

Quietly winding its way through the woodlands in eastern Zambia, the Luangwa river passes through the Mbizi Farm, where it is welcomed and celebrated as the aorta of this region, delivering much needed water to villages, farmers and other communities.

Where it reaches the Forest Stewardship Certified® (FSC®) certified Mbizi Farm, the river takes a breather from the many demands it endures along its long and arduous journey.



Mbizi Farm has been around for a long time, providing a personalised safari experience to visitors from around the globe. Managed and owned by 2 Swedes, Michael Dejestam and Lennart Packendorffit, it is the first FSC certificate in Africa, and probably the world, where the wildlife management are fully integrated with the commercial forest management objectives. A match made in FSC heaven.

The 17 000ha estate employs nearly 50 people from the surrounding communities with whom it is truly integrated. As expressed by His Royal Highness, Senior Chief Luembe, Mbizi is a true partner in their communities and beyond the employment opportunities provided, Mbizi is also a significant contributor to the local economy and provides significant support to these communities.

Local churches, schools and clinics have all benefitted from this relationship, as confirmed by the FSC audit team during the certification audit conducted in April 2021.



The mixed Mopani woodlands contain many tree species that are of significant importance to local communities for their fuel and other needs. However, many of these species also have significant commercial value and about 2400 m³/year of Mopani, Kiaat, Pod Mahogany, and the Mukosa tree are harvested annually and processed at the Mbizi Sawmill for the production of export planks and other timber products. This is a first for the Mopani ecoregion which covers extensive areas in Eastern Africa.

For elephant, buffalo, leopard, lion and many others, this is home. New machines and technologies have been brought in to ensure low impact selective harvesting of the trees is conducted in terms of forest management plans that allow for the sustainable use of these woodlands and forests. There is hope that the benefits reaped by Mbizi, will set a good example and through the Afzelia Group Scheme, many others will follow and share in the substantial benefits accrued from certified estates. Visitors to Mbizi Farm will have the assurance that the values encapsulated in these spectacular landscapes, will remain for a very long time, if not forever.

Decent housing and work conditions, provide employees with a happy work environment, where they are allowed to thrive and learn many new skills. These are opportunities that are few and far between in rural Zambia.

Driving through this region, one observes landscapes with quite significant human impacts. One understands that much of this is caused by

communities that are heavily reliant on crops and other products grown and extracted from these landscapes. The livelihoods of people are again trumping the ecosystems and thus it is heartening to see the Mbizi estate in near pristine condition and remaining so whilst offering a host of financial benefits to the owners, workers and communities alike. There are also medium-term objectives to extract value from the ecosystem services available here and this will much enhance the value of this FSC forest management certificate. This again should lead to bigger uptake of FSC Forest Management Certification in Zambia and the rest of Africa, south of the Sahara.



FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

Forest Stewardship Council, A.C. and Subsidiaries

Auditor's Report as of 31 December 2021

Independent Auditor's Report

To the Associates of Forest Stewardship Council,
A.C., Oaxaca, Mexico

Audit Opinion

We have audited the accompanying consolidated financial statements of Forest Stewardship Council, A.C. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income for the year 2021, the consolidated statement of cash flows for the year 2021, and the consolidated statement of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, in all material respects, give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance, its consolidated cash flows for the year 2021 and its consolidated changes in equity in accordance with International Financial Reporting Standards (IFRSs).

We declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for the Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of

the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that

achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

Mönchengladbach, Germany, 18 August 2022

Abstoß & Wolters GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Forest Stewardship Council, A.C. And Subsidiaries			
	Note	2021	2020
		US\$'000	US\$'000
Revenue	11		
Annual administration fees		37,312	36,240
Donations		447	488
ASI generated revenue		6,594	5,874
Commercial services		66	103
Memberships and fees		304	172
Other		1,073	1,364
Total revenue		45,796	44,241
Expenses			
Staff salaries		10,644	7,853
Staff benefits		2,253	1,666
Staff recruitment and relocation		197	198
Total staff costs		13,094	9,717
Travel staff		65	113
Travel non-staff		812	486
Total travel costs		877	599
Fee principle cooperation and licence agreements		7,058	6,251
Licence Fee		0	20
Externals		3,109	2,376
Consultants		5,884	5,209
Fee service agreements NO		513	577
Legal and consulting costs		1,495	670
IT & communication		1,558	857
External office cost services		2,142	1,073
Costs meetings		270	117

Total third party costs		22,029	17,150
Rent		121	93
Basic costs		744	714
Office costs NO		221	124
Financial costs		197	113
Total back office costs		1,283	1,044
Total costs		37,283	28,510
Net exchange rate gains	12	587	637
EBITDA		9,100	15,094
Amortization and depreciation and loss from disposal of non-current assets	13	-192	-175
Amortization right-of-use assets	13	-236	-240
EBIT		8,672	14,679
Tax expense	14	-2,871	-4,091
Interest income		14	19
Interest expense on lease liabilities	2	-17	-22
Financial result		-3	-3
Profit for the period		5,798	10,585
Other comprehensive income			
Exchange rate losses/gains arising on translation of foreign operations		-155	146
Total comprehensive income	15	5,643	10,731

The accompanying notes are an integral part of these financial statements.



SUMMARY OF THE ENTITIES

Forest Stewardship Council, A.C. and Subsidiaries

NOTES to the consolidated financial statements as of 31 December 2021

General Information

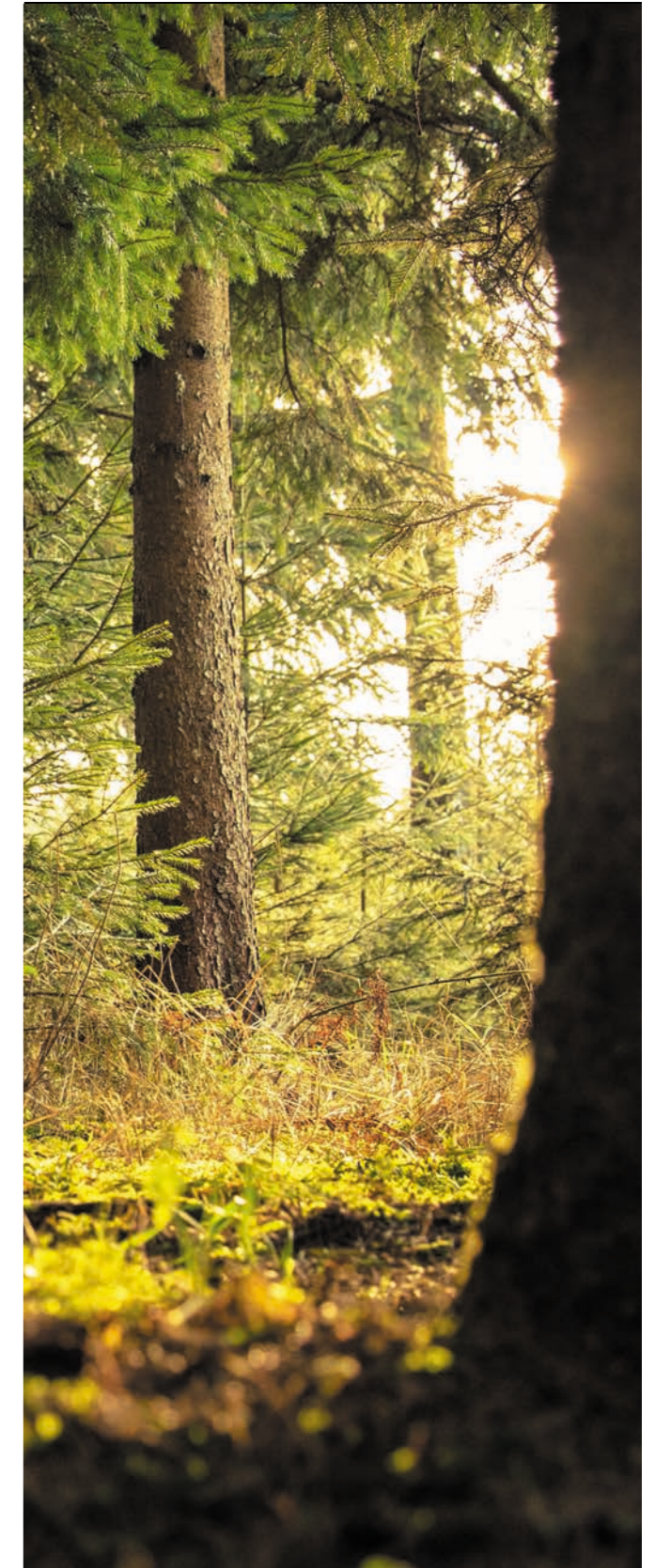
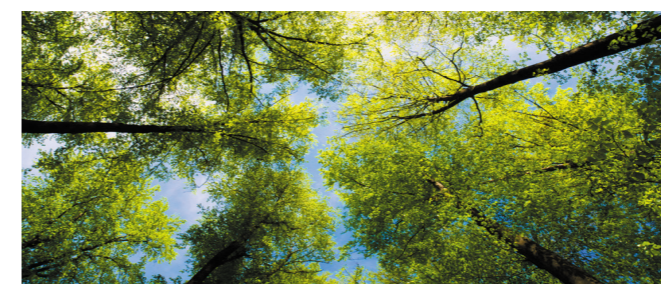
Forest Stewardship Council, A.C. (the "Company" or "FSC") is a company with registered office in Oaxaca, Mexico. The Company's address is Calle Margarita Maza de Juárez 422, Colonia Centro, Oaxaca CP 6800, Mexico. The consolidated financial statements include the Company and its subsidiaries:

- FSC International Center gemeinnützige Gesellschaft mbH, Bonn/Germany ("FSC IC")
- FSC Global Development GmbH, Bonn/Germany ("FSC GD")
- ASI Assurance Services International GmbH, Bonn/Germany ("ASI")
- ASI North America PB LLC., Wilmington, Delaware/USA ("ASI NA")

and sub-subsidiaries:

- FSC (Beijing) Global Forestry Management Consulting Co., Ltd., Beijing/China ("FSC China"), a 100 % subsidiary of FSC GD
- ASI Asia Pacific Sdn. Bhd., Kuala Lumpur/Malaysia ("ASI Malaysia"), a 100 % subsidiary of ASI.

(collectively, "the Group").

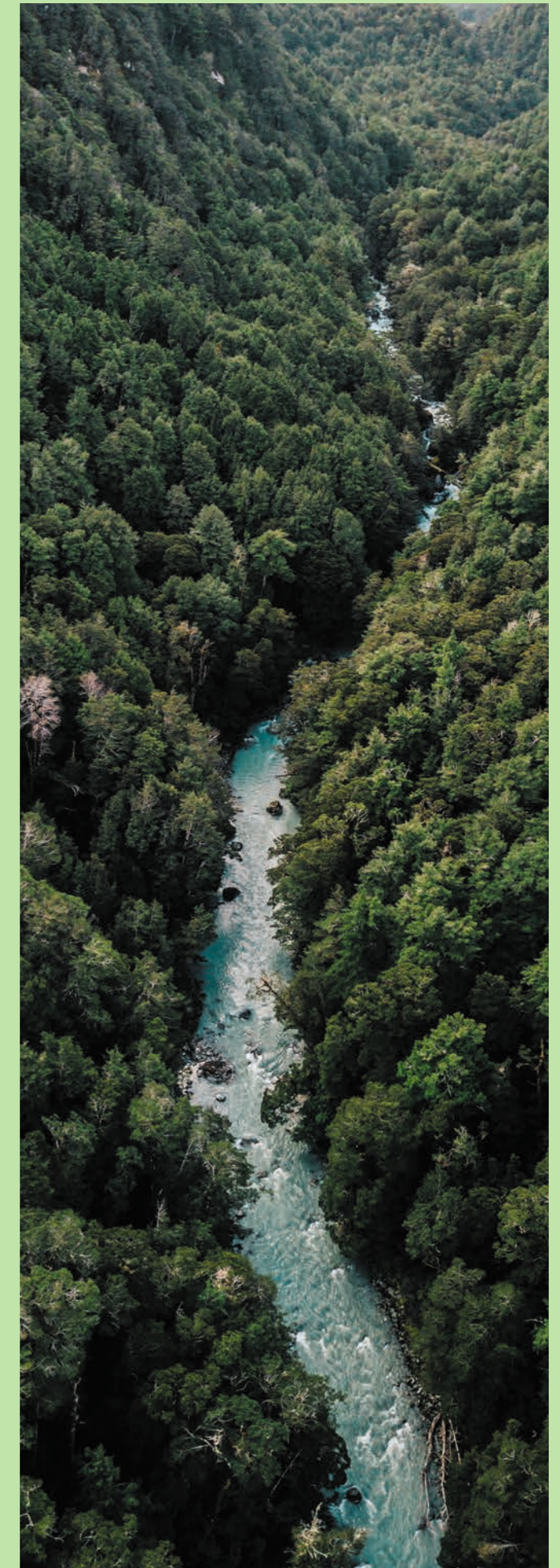
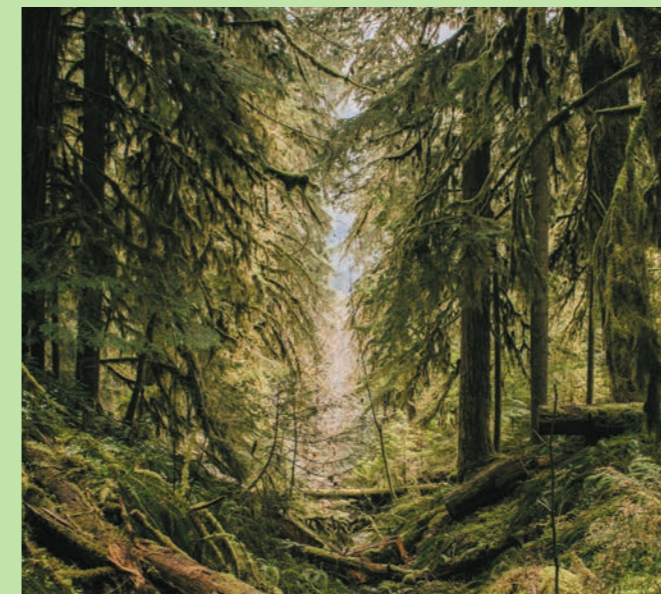




SPECIAL THANKS

Special thanks to the following donors who made our 2021 achievements possible:

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