FSC CLIMATE AND BIODIVERSITY STRATEGIC FRAMEWORK 2026–2032

FSC FORESTS FOR ALL FOREVER™

Title:	FSC Climate and Biodiversity Strategic Framework 2026–2032	
Dates:	**Approval date:**	12 December 2025
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Contact for comments:	**Email:**	strategy@fsc.org
Objective of document:	This document has been developed to clarify FSC's role in addressing challenges related to climate and biodiversity and to serve as a guide for the development and implementation of dynamic solutions.	

Reading the Strategic Framework:

Chapter	Description
1 – Background	This chapter provides the context for the Strategic Framework, outlining the current climate and biodiversity crises, the role of forests and forest-dependent people within it, and FSC's role in addressing these crises (including current solutions, strengths, limitations, and opportunities). It provides the analytical background for the development of the Theory of Change (ToC) under the Strategic Framework.
2 – Theory of Change	The ToC for the Strategic Framework includes the problem statement, the vision of change (what the Framework seeks to advance), and the preconditions required to realize this vision (what needs to change). This chapter focuses on the overall forest sector and its role in climate and biodiversity. It provides the rationale for FSC's interventions, which are described in the following chapter.
3 – Strategic Priorities	This chapter outlines the Strategic Priorities and the associated outcomes and outputs, focusing on FSC's contributions to the overall ToC. The chapter describes how and why FSC will contribute to the vision and provides illustrative activities to be implemented in 2026–2032.
4 – Implementation Plan	This chapter describes the oversight and monitoring of the implementation of the Strategic Framework.

FOREWORD

The Forest Stewardship Council (FSC) is finalizing its Climate and Biodiversity Strategic Framework for 2026–2032 at an inflection point in its journey. Founded in 1994 as a voluntary market-based initiative to address a gap in global forestry regulations, three decades later the world is now in the midst of escalating climate and biodiversity crises that pose an existential threat to humanity. Against a backdrop of political turmoil, regulatory uncertainty, and environmental rollbacks, FSC is building on its experience as a credible solutions provider. However, it is increasingly clear that it cannot address these challenges alone.

As a relatively small organization in the face of these twin global crises, FSC needs to clearly identify the ways in which it can contribute to local and global solutions. While FSC's mission of promoting responsible forest management inherently includes climate action and biodiversity protection, it has not yet been able to fully demonstrate how this mission reinforces and advances efforts in climate change mitigation and adaptation, and biodiversity conservation. Through multiple General Assembly motions, FSC's membership has mandated the organization to address this issue proactively and to approach these challenges more strategically. This framework responds to that call.

In practice, this will mean reflecting climate action and biodiversity conservation into the development and revision of FSC's core standards, as well as into FSC solutions beyond certification. It will mean using cutting-edge science and data to inform FSC's work and to demonstrate the outcomes of its mission. It will also mean active partnerships and engagement to contribute to knowledge, mobilize action, and influence policy as part of a coalition of like-minded actors.

As a membership-driven organization with certificate holders all over the world, FSC has a large community of stakeholders and partners through which to scale its message and influence national and global dialogues on climate and biodiversity. To harness the collective knowledge and creativity of this diverse coalition, while directing the organization's efforts and resources towards delivering on its mission in the most impactful way, FSC needs a clear framework available to all members and partners. This framework will provide a strategic, long-term approach, outlining the Theory of Change (ToC) and establishing guardrails to both drive and focus FSC's work on climate and biodiversity.

The implementation of the Climate and Biodiversity Strategic Framework begins as FSC is finalizing its Global Strategy 2027-2032, and revising its Principles, Criteria and International Generic Indicators (PCI). The three processes have been intentionally coordinated to ensure that the Climate and Biodiversity Framework is fully embedded within the Global Strategy 2027–2032 and informs the revision of the PCI.

Over the past 31 years, the understanding of the critical role of forests in climate change mitigation and adaptation has deepened. At the same time, the synergies between climate action and biodiversity conservation have become clearer and more widely recognized. In 2025, the Conference of the Parties of the United Nations Framework Convention on Climate Change, under Brazil's presidency, placed forests at the centre of climate discussions.

FSC's mission is more relevant than ever before.

Signature	Signature	Signature
Stuart Valintine	Amanda Andrade	Subhra Bhattacharjee
Chair, Board of Directors	Chair, Board Strategic Planning Committee	Director General

CONTENTS

REFERENCES

The following referenced documents were reviewed and considered in the development of this document:

Normative Documents

FSC-POL-01-004 V3-0	Policy for Association
FSC-STD-01-001 V5-3	FSC Principles and Criteria for Forest Stewardship
FSC-STD-60-004 V2-1	International Generic Indicators
FSC-STD-60-006 V1-2	Process Requirements for the Development and Maintenance of National Forest Stewardship Standards
FSC-PRO-01-004 V1-0	FSC Remedy Framework
FSC-PRO-01-007 V1-0	FSC Remedy Framework
FSC-PRO-30-011 V1-2	Continuous Improvement Procedure
FSC-PRO-30-006 V2-1	Ecosystem Services Procedure: Impact Demonstration and Market Tools
FSC-PRO-60-006b V2-0	Risk Assessment Framework
FSC-PRO-60-007 V1-2	Structure, Content and Development of Interim National Standards

Other documents

Analysis of the different tools, standards and guidelines, and their possible role in the FSC Restoration Toolbox (September 2022)
Climate Change and Forests: Understanding risks, evaluating impacts and implementing integrated solutions for adaptation and mitigation (May 2024).
Discussion Paper on Mitigation Hierarchy and carbon markets (May 2024)
Final Technical Analysis: 'Operationalizing compensation or/and neutralization in the ES Procedure (FSC-PRO-30-006)' (June 2024)
FSC Climate Adaptation Action Plan (2024)
FSC Conservation and Restoration Solutions Green Paper (Draft April 2025)
FSC Global Strategy 2021–2026
FSC Strategic Framework on diversity and gender (March 2023)
Strategic Framework for an FSC Climate Change Engagement (November 2012)
Summary Report 1 – Restoration Toolbox (December 2023)

TERMS AND DEFINITIONS

Biological diversity: The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems (Source: Convention on Biological Diversity 1992, Article 2).

Climate-smart forestry: An approach to forest management that integrates climate change adaptation and mitigation into policies, plans, and practices to ensure forests remain productive, resilient, and able to provide ecological, social, and economic benefits for present and future generations. It involves managing forests to increase carbon storage and sequestration, utilizing forest products to substitute fossil-based materials, and making forests more resilient to climate change impacts like extreme weather events. (Source: based on the FAO Climate Smart Agriculture Sourcebook).

Conservation/Protection: These words are used interchangeably when referring to management activities designed to maintain the identified environmental or cultural values in existence long-term. Management activities may range from zero or minimal interventions to a specified range of appropriate interventions and activities designed to maintain, or compatible with maintaining, these identified values (Source: FSC-STD-01-001 V5-2, 2015).

Conservation Areas Network: Those portions of the Management Unit for which conservation is the primary and, in some circumstances, exclusive objective; such areas include representative sample areas, conservation zones, protection areas, connectivity areas and High Conservation Value Areas. (Source: FSC-STD-60-004 V2-1, 2023).

Ecosystem-based adaptation: The use of biodiversity and ecosystem services as part of an overall adaptation strategy to help people to adapt to the adverse effects of climate change. (Source: UNFCCC, 2009 (FCCC/AWGLCA/2008/16)).

Ecosystem services: The benefits people obtain from ecosystems. These include:

a. provisioning services, such as food, forest products, and water
b. regulating services, such as regulation of floods, drought, land degradation, air quality, climate and disease;
c. supporting services, such as soil formation and nutrient cycling;
d. and cultural services and cultural values, such as recreational, spiritual, religious, and other non-material benefits.

(Source: based on R. Hassan, R. Scholes and N. Ash. 2005. *Ecosystems and Human Well-being: Synthesis.* The Millennium Ecosystem Assessment Series. Island Press, Washington DC).

Free, Prior, and Informed Consent (FPIC): A legal condition whereby a person or community can be said to have given consent to an action prior to its commencement, based upon a clear appreciation and understanding of the facts, implications, and future consequences of that action, and the possession of all relevant facts at the time when consent is given. FPIC includes the right to grant, modify, withhold, or withdraw approval (Source: based on the Preliminary working paper on the principle of Free, Prior and Informed Consent of Indigenous Peoples (…) (E/CN.4/Sub.2/AC.4/2004/4 8 July 2004) of the 22nd Session of the United Nations Commission on Human Rights, Sub-Commission on the Promotion and Protection of Human Rights, Working Group on Indigenous Populations, July 2004).

Indigenous Peoples: People and groups of people that can be identified or characterized as follows:

- The key characteristic or criterion is self-identification as Indigenous Peoples at the individual level and acceptance by the community as their member
- Historical continuity with pre-colonial and/or pre-settler societies

- Strong link to territories and surrounding natural resources
- Distinct social, economic, or political systems
- Distinct language, culture, and beliefs
- Form non-dominant groups of society
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

(Source: adapted from the UN Permanent Forum on Indigenous Issues, Factsheet 'Who are Indigenous Peoples' October 2007; the UN Development Group's 'Guidelines on Indigenous Peoples' Issues', United Nations 2009; the United Nations Declaration on the Rights of Indigenous Peoples, 13 September 2007).

Local communities: Communities of any size that are in or adjacent to the Management Unit, and also those that are close enough to have a significant impact on the economy or the environmental values of the Management Unit or to have their economies, rights or environments significantly affected by the management activities or the biophysical aspects of the Management Unit (Source: FSC 2011).

Outcome: Outcomes represent the intended or achieved effects of an intervention's outputs (Source: adapted from UNDG 2011, Results-Based Management Handbook).

Output: Outputs are changes in skills or abilities and capacities of individuals or institutions, or the availability of new products and services (Source: UNDG 2011, Results-Based Management Handbook).

Restoration: Process of assisting the recovery of an ecosystem, and its associated conservation values, that have been degraded, damaged, or destroyed (Source: adapted from 'International principles and standards for the practice of ecological restoration'. Gann et al 2019. Second edition. Society for Ecological Restoration) (shortened version – refer to the FSC Remedy Framework for the full definition).

Rights-based conservation: Culturally appropriate conservation initiatives that are supported through the self-determination and collective agency of communities, granted through secure and inalienable collective tenure rights over their traditional lands.

Scope 3 emissions: All indirect emissions (not included in Scope 2 emissions: emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company) that occur in the value chain of the reporting company, including both upstream and downstream emissions. (Source: Technical Guidance for Calculating Scope 3 Emissions, Greenhouse Gas Protocol, 2013).

Sustainable forest management (SFM): A dynamic and evolving concept, [which] is intended to maintain and enhance the economic, social and environmental values of all types of forests, for the benefit of present and future generations. (Source: UNGA, 2008, Resolution 62/98 'Non-legally binding instrument on all types of forests').

Note 1: FSC statutes refer to the promotion of **responsible forest management (RFM),** which refers to environmentally appropriate, socially beneficial and economically viable forest management practices as defined by the FSC Principles and Criteria.

Note 2: In this document, the term **SFM** is used when referring to the broader sector, while **RFM** is used when referring specifically to the FSC context.

Theory of Change: A theory of change is a method that explains how a given intervention, or set of interventions, is expected to lead to specific development change, drawing on a causal analysis based on available evidence (Source: United Nations Sustainable Development Group, 2017).

Traditional peoples: Traditional peoples are social groups or peoples who do not self-identify as indigenous and who affirm rights to their lands, forests and other resources based on long established custom or traditional occupation and use (Source: Forest Peoples Programme (Colchester, M., 2009)).

ABBREVIATIONS

CBD	Convention on Biological Diversity
COP	Conference of the Parties
ES	Ecosystem services
ESG	Environmental, Social, and Governance
FPIC	Free, Prior, and Informed Consent
FSC	Forest Stewardship Council
GBF	Kunming-Montreal Global Biodiversity Framework
GCF	Green Climate Fund
GHG	Greenhouse Gas
HCV	High Conservation Value
IPs	Indigenous Peoples
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
LCs	Local communities
NBSAPs	National Biodiversity Strategies and Action Plans
NDCs	Nationally Determined Contributions
PCI	FSC Principles and Criteria and International Generic Indicators
REDD+	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
RFM	Responsible forest management
SFM	Sustainable forest management
TNFD	Task Force on Nature-Related Financial Disclosures
ToC	Theory of Change
TPs	Traditional peoples
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market

EXECUTIVE SUMMARY

The FSC Climate and Biodiversity Strategic Framework 2026–2032 outlines FSC's direction for tackling the interconnected global crises of climate change and biodiversity loss. Building on FSC's legacy of promoting responsible forest management (RFM) through certification, the framework outlines FSC's contributions to climate and biodiversity goals. These contributions extend beyond certification, including leveraging markets to increase incentives for responsible practices, products, and services, as well as shaping policies and frameworks for stronger recognition of RFM and FSC certification in global and national policies and frameworks.

Vision

The Strategic Framework provides the pathways for FSC to achieve the 2050 vision of resilient forests that sustain life on Earth, by contributing to **forests being valued and managed to mitigate and adapt to climate change, while enabling biodiversity and forest-dependent people to thrive**.

In this context, forest-dependent people include those who take responsibility for and derive benefits from forests, such as Indigenous Peoples (IPs), traditional peoples (TPs), local communities (LCs), forest managers, and workers.

Context and challenges

- Forests cover 30% of the world's land, sequester a net 7.6 billion tonnes of CO_2 annually, host up to 80% of terrestrial biodiversity, and provide multiple other ecosystem services, yet they face unprecedented threats from deforestation and degradation.
- The practices of IPs, TPs, and LCs play a crucial role in advancing climate resilience and biodiversity conservation but remain vulnerable due to insecure rights and limited access to resources and finance.

Theory of Change

To achieve the vision of this Strategic Framework, FSC will nest its interventions along three interconnected critical pathways:

1. Knowledge and practices: Scalable forest management that integrates climate and biodiversity goals;
2. Market systems and finance: Incentives and investment flows that reward climate and biodiversity outcomes in forest management;
3. Policies and partnerships: Enabling policy frameworks and collaborations that amplify forest-based solutions for climate and biodiversity.

Cross-cutting enablers include innovation, data and digital systems, scientific and traditional knowledge and research, people-centred approaches, and multi-stakeholder collaboration.

Strategic Priorities

These pathways have been translated into the following strategic priorities:

1. Promote forest management practices that contribute to global climate and biodiversity goals;
2. Leverage markets and finance to incentivize forest management practices that contribute to global climate and biodiversity goals;
3. Advance policies and partnerships to promote forests as climate and biodiversity solutions.

These Strategic Priorities will be turned into actionable interventions in a subsequent Implementation Plan.

Strategic Results of FSC's Contribution (2026–2032)		
Outcome 1. Forest management practices integrate climate change mitigation and adaptation, and biodiversity conservation objectives	**Outcome 2. Markets and finance support forest management practices that contribute to climate and biodiversity objectives**	**Outcome 3. Policies and partnerships advance the uptake and scaling of forest management practices that contribute to climate and biodiversity objectives**
Outputs and key FSC interventions		
1.1. FSC's forest management standards include climate change mitigation and adaptation, and biodiversity protection. ○ Revise the FSC Principles and Criteria and International Generic Indicators (PCI). **1.2 Afforestation and restoration are facilitated.** ○ Document case studies ○ Conduct market and risk analyses ○ Develop a restoration certification module or integrate restoration into revision of the PCI. **1.3 Integration of climate risks into risk assessment frameworks is explored.** ○ Assess the impacts of inclusion of climate risks. **1.4 Knowledge held by IPs, TPs, and LCs is acknowledged and integrated into forest management practices.** ○ Strengthen the involvement of IPs in the development of Forest Stewardship Standards. **1.5 Forest stewards have improved capacities to implement climate-smart and biodiversity-friendly practices.** ○ Develop and implement training and guidelines. **1.6 Data and insights on climate and biodiversity outcomes of FM Certification are generated and available.** ○ Incorporate key intended outcomes into Forest Stewardship Standards ○ Improve data collection templates and reporting ○ Promote innovative technologies.	**2.1. Increased awareness among buyers of the importance of certified products and forest-based substitutes for fossil-fuel based products.** ○ Improve the traceability of supply chains ○ Carry out communication and marketing campaigns highlighting the value of responsibly managed forests for climate and biodiversity. **2.2. Certificate holders throughout the supply chain have increased incentives to implement RFM and sourcing.** ○ Communicate the FSC value proposition on climate and biodiversity to a range of stakeholders, including governments, private companies, IPs, and LCs ○ Facilitate payments for ecosystem services ○ Improve alignment with global frameworks. **2.3. Mechanisms are put in place to facilitate market access for IPs, TPs, and LCs.** ○ Work with IPs, TPs, and LCs to implement FSC solutions ○ Co-create specific policy solutions that recognize the positive impact of their practices. **2.4. Certificate holders have increased access to finance.** ○ Engage with financial institutions and leverage the finance network ○ Provide evidence of impacts on climate, biodiversity, and restoration. **2.5. Monitoring mechanisms and data availability are strengthened to build trust and demonstrate the impact of FSC solutions on climate and biodiversity.** ○ Gather data on the spatial boundaries of FSC-certified forests ○ Produce reports and dashboards with enhanced user-friendliness ○ Facilitate acquisition of data for mandatory or voluntary non-financial sustainability disclosures and for private investors.	**3.1 Relevant institutions have increased evidence to recognize RFM and FSC certification in their climate and biodiversity policies and regulatory frameworks.** ○ Engage and advocate in international and national fora (including to promote recognition of FSC certification in National Biodiversity Strategy and Action Plans (NBSAPs) and Nationally Determined Contributions (NDCs)) ○ Facilitate the participation of IPs, TPs, and LCs in decision-making processes. **3.2 Institutions providing grants finance have increased evidence and awareness to support FSC certification, including restoration activities.** ○ Strengthen engagement with global funds. **3.3 Data, evidence, and analysis are available to support policy-making.** ○ Strengthen partnerships with research institutions ○ Develop targeted policy briefs.

1. Background

For the past 10,000 years, the Earth's climate has remained relatively stable, with average global temperatures fluctuating by no more than 1°C, providing a conducive environment for the development of human civilization. However, since the mid-19th century, human activities have driven unprecedented warming, culminating in 2024 as the warmest year on record – approximately 1.6°C above pre-industrial levels.

Climate change and biodiversity loss are interconnected global crises that threaten life on Earth, and forests are at the heart of the solutions for both. FSC is uniquely positioned to tackle these challenges by promoting responsible forest management (RFM) – including the production of timber and non-timber forest products, conservation, and restoration. While these efforts directly contribute to climate change mitigation and adaptation, and biodiversity conservation, a more systematic approach is needed to implement and demonstrate outcomes. FSC members have consistently called for stronger leadership of the organization on these fronts, as reflected in multiple General Assembly motions.

The Climate and Biodiversity Strategic Framework responds to this call, aiming to clarify, strengthen, and systematize FSC's role in addressing the ongoing crises. It is grounded in the critical role of forests in mitigating and adapting to climate change and fostering biodiversity, and it draws on an analysis of FSC's strengths and limitations in these areas. Given the rapidly evolving impacts of climate change and biodiversity loss on forests and forest-dependent people and communities, the Strategic Framework articulates FSC's current and future role, with particular attention to the rights of Indigenous Peoples (IPs), traditional peoples (TPs), and local communities (LCs). The limitations identified in FSC's current approaches to the climate and biodiversity crises are essential to determine where additional efforts would have the greatest impact.

The Climate and Biodiversity Strategic Framework presents the overall results structure for FSC's contributions to addressing the climate and biodiversity crises. It outlines the expected results of FSC's interventions by defining solution pathways that enhance recognition of the value of forests for climate change mitigation and adaptation, while enabling biodiversity and forest-dependent people to thrive.

1.1 Context

Covering over 30% of the world's land area, forests act as massive carbon sinks, absorbing approximately a net 7.6 billion metric tonnes of CO_2 annually.[1] They also host up to 80% of the world's terrestrial biodiversity and provide critical ecosystem services (ES), such as water purification, soil fertility, and pollination.

Global frameworks such as the Paris Agreement, the Kunming-Montreal Global Biodiversity Framework (GBF), and the UN Decade on Ecosystem Restoration recognize the crucial role of forests in addressing ecological decline.

However, forests are under severe threat from deforestation and degradation, especially in tropical regions, as well as from unsustainable land-use practices. An estimated 489 million hectares of forest have been lost worldwide through deforestation since 1990.[2] These activities contribute significantly to greenhouse gas (GHG) emissions and biodiversity loss, while diminishing the ability of forests to provide critical ES.[3] They also disproportionately affect IPs, TPs, and LCs, who depend on forests for their livelihoods, cultural identity, and spiritual well-being, exacerbating existing inequalities and reinforcing patterns of climate injustice.

[1] (Matos et al., 2020) 'Secondary Forest fragments offer important carbon and biodiversity co-benefits'
[2] (FAO, 2025) 'FAO Global Forest Resources Assessment'
[3] (FSC, 2024) '5 ways deforestation affects climate change'

Sustainable forest management (SFM) – including prevention of deforestation and degradation, alongside the enhancement of forest restoration – can have a significant positive impact on biodiversity and advance efforts to address climate change.[4] To be truly transformative, these efforts must recognize customary land rights and prioritize the inclusion of marginalized peoples.

The ongoing United Nations Decade on Ecosystem Restoration 2021–2030 recognizes the critical need to prevent, halt, and reverse degradation of the world's ecosystems. Effective restoration of degraded forest ecosystems is of paramount importance for recovering biodiversity, ecosystem health and integrity, ecosystem goods and services, and human health and well-being. It forms a central part of strategies to address climate change.

In summary, forests are at the heart of efforts to tackle the converging climate and biodiversity crises. However, ongoing deforestation, degradation, and weak governance continue to undermine their capacity to mitigate and adapt to climate change and sustain diverse ecosystems.

1.1.1 Forests and climate change

Forest ecosystems play a unique dual role in the fight against anthropogenic climate change, serving as a key element in efforts both to mitigate its extent and to adapt to its negative impacts.

In terms of mitigation, forests are a significant land-based carbon sink, but they can also become sources of emissions of CO_2 and other GHGs, for example, when subject to degradation or deforestation. Human activities impact the balance between carbon sequestration and emissions in forests more markedly than in other key sinks, such as oceans. Forests also contribute to climate change mitigation by sustainably providing wood products that can replace emissions-intensive materials, such as concrete, steel, or plastics.

In terms of adaptation, forests provide essential ES that support local livelihoods, regulate the supply and quality of water, air, and soil, and reduce vulnerability to natural hazards. In doing so, they enhance the resilience of communities, landscapes, and economies to climate-related risks. This dual role of mitigation and adaptation should be emphasized in strategic dialogues on forests and climate change. Under the Paris Agreement, national governments have already recognized this, as reflected in the inclusion of SFM measures in 47% of countries' Nationally Determined Contributions (NDCs) to achieve both adaptation and mitigation targets.[5]

However, in addition to human pressure from deforestation and land-use change, climate change is profoundly transforming forest ecosystems through rising temperatures, shifting precipitation patterns, and more frequent extreme weather events.

Additionally, climate change is causing shifts in species distribution as trees and other flora are forced to migrate to more suitable climatic conditions. This disruption of ecosystems affects biodiversity, as some species struggle to adapt while others become more vulnerable to pests and diseases. In certain locations – particularly island and mountain ecosystems – there is nowhere for threatened species to migrate. As local conditions continue to change, many unique varieties, species, and ecosystems therefore retreat into ever smaller refugia until they eventually disappear.[6] Warmer temperatures are accelerating the growth

[4] (IPBES-IPCC, 2021) 'Workshop on biodiversity and climate change' shows in its table 3.1, 'Effects on biodiversity of selected global climate mitigation and adaptation practices based on land and ocean management', that improved and sustainable forest management, along with avoided degradation, reforestation, and forest restoration, have a high positive impact on biodiversity, as well as significant mitigation (0.4-2.1 Gt CO_2 e a-1 for improved and sustainable forestry) and adaptation potential (> 25 million people more resilient to climate change).
[5] (Rynearson A. et al, 2024) 'Raising the Bar: Strengthening Forest Ambition in NDCs'
[6] (Urban MC., 2015) 'Accelerating extinction risk from climate change', in Science, Vol. 348, Issue 6234, Pages 571–573.

and spread of insect populations, increasing the frequency of pest and disease outbreaks that weaken and kill trees, further altering forest composition and reducing resilience.[7]

Tropical regions are experiencing rapid climate change, with some scenarios projecting temperature increases of up to 4°C and precipitation reductions of close to 20% by 2100.[8] The world's most diverse forests are undergoing changes in functional trait composition, but the pace of this shift is insufficient to maintain the stability of forest ecosystems and the services they provide, given the rapidly changing temperatures, rainfall, seasonal patterns, salinity, and other local climatic factors. While the world's forests continue to play a critical role in climate change and resilience, this role is increasingly compromised. SFM – including responsible production, restoration, and conservation – is essential to reduce GHG emissions, enhance climate resilience, and preserve vital ecosystems. While increasing forest area through afforestation and restoration is an important component of a global climate strategy, it is widely recognized that neither mitigation nor adaptation targets can be reached without reducing forest loss and degradation.[9] This principle is reflected in the central role of a mechanism for Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) under the Paris Agreement.

1.1.2 Forests and biodiversity loss

Forests represent some of the richest biological areas on Earth, hosting up to 80% of the terrestrial biodiversity.[10] This biodiversity is central to the provision of ES that contribute to the resilience of landscapes and communities to climate change.

However, the 2019 Global Assessment Report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)[11] revealed that biodiversity is declining faster than at any time in human history, with over one million species at risk of extinction.

Forest loss, fragmentation, and degradation are leading causes of this decline, particularly in tropical and subtropical regions. These trends not only threaten species and ecosystems, but also erode the services that forests provide, such as water purification, pollination, soil fertility, and disease regulation. The GBF, adopted in 2022, calls for the protection of at least 30% of land and sea areas and the restoration of 30% of degraded ecosystems by 2030. Forests are central to achieving both targets. However, implementation is constrained by weak land tenure systems, limited financial flows, and insufficient integration of biodiversity objectives into economic planning.

As with the climate crisis, afforestation and reforestation can contribute to global efforts to address the biodiversity crisis; however, the GBF targets cannot be met without reducing the rates of forest loss and degradation. Adherence to the principles of SFM is therefore explicitly recognized, under Target 10 of the GBF, as an important element of national biodiversity conservation strategies.[12] [13] Moreover, safeguards under the United Nations Framework Convention on Climate Change (UNFCCC) in the context of REDD+ include the requirement that actions be consistent with biodiversity conservation,[14] thereby anchoring the goals of the Convention on Biological Diversity (CBD) within the principal global mechanism for integrating the forest sector into the climate commitments of developing countries.

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[7] (Subedi B. et al., 2023) 'The impact of climate change on insect pest biology and ecology: Implications for pest management strategies, crop production, and food security'
[8] (Aguirre-Gutiérrez et al., 2025) 'Tropical forests in the Americas are changing too slowly to track climate change'. In Science, Vol. 387, Issue 6738.
9 (IPCC, 2022) 'Climate Change 2022: Impacts, Adaptation and Vulnerability'. Contribution of Working Group II to the Sixth Assessment Report of the IPCC.
[10] (CBD, 2025) 'The Forest Factor'
[11] (IPBES, 2019) 'Global assessment report on biodiversity and ecosystem services of IPBES'
[12] (CBD, 2022) CBD/COP/DEC/15/4 'Kunming-Montreal Global Biodiversity Framework'
[13] (CBD, 2024) 'The Forest Factor: The role of protection, restoration and sustainable management of forests for the implementation of the KMGBF'
[14] (UNFCCC, 2010, Decision 1/CP.16) 'REDD+, the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries'

1.1.3 Forests and people who depend on them

Approximately 4.17 billion people – 95% of those living outside urban areas and over 50% of the global population – live within 5 km of a forest.[15] Around 1.6 billion people rely directly on forest resources for their livelihoods. Furthermore, 90% of the 1.2 billion people living in extreme poverty depend substantially on forests for all or part of their livelihoods.

While climate change and biodiversity loss are global challenges, their impacts are not evenly distributed. IPs, TPs, and LCs are among the most affected and the most essential to the solutions.[16] Collectively, IPs, TPs, and LCs manage or hold tenure rights over at least 36% of the world's intact forests[17] and 80% of remaining biodiversity, often under customary governance systems. They have demonstrated a profound capacity to protect and steward nature. A study in a deforestation hotspot in South America confirmed that forests under Indigenous management with land-tenure security exhibit lower rates of deforestation and degradation compared to forests where IPs lacked land-tenure security.[18] Recognizing IPs' land rights, ensuring Free, Prior, and Informed Consent (FPIC), and channelling resources directly to Indigenous-led conservation and climate action are widely recognized as critical to the achievement of global climate and biodiversity targets.[19]

However, IPs, TPs, and LCs are also disproportionately vulnerable to forest degradation, insecure land rights, policy marginalization, and climate-related risks. Climate hazards – such as floods, droughts, and wildfire – often damage traditional livelihoods dependent on forests, agriculture, and water resources. Loss of biodiversity undermines the availability of medicinal plants, game, and food security. Moreover, infrastructure development, land grabs, and extractive activities continue to displace IPs, TPs, and LCs and restrict their access to ancestral territories. These impacts are compounded by historical injustices and limited access to climate finance, formal legal recognition, and decision-making spaces. This highlights the urgent need for climate justice that recognizes and addresses the unequal burdens and historical marginalization faced by IPs, TPs, and LCs in the climate crisis.

Forest workers and women are also particularly vulnerable to climate change and biodiversity loss. As forests are degraded by extreme weather, fires, and species loss, jobs become less secure and more hazardous, especially for labourers engaged in harvesting and conservation. Women often rely on non-timber forest products for income and household needs and play a crucial role in forest management and conservation. However, they frequently have limited access to forest resources, land rights, and decision-making roles, making them more vulnerable to the impacts of climate change on forests. This increases their workload and economic insecurity, especially in rural and Indigenous communities, where gender and labour inequalities intersect most sharply.

Historically, climate change, biodiversity loss, and unprotected rights have too often been treated independently. Effective solutions, however, require all these dimensions to be recognized as inseparable.

[15] (FAO, 2022) 'The state of the world's forests 2022'

[16] https://www.researchgate.net/publication/354322008_The_role_of_Indigenous_peoples_and_local_communities_in_effective_and_equitable_conservation(UNFCCC, 2010, Decision 1/CP.16) 'REDD+, the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

[17] (Camino et al., 2023) 'Indigenous Lands with secure land-tenure can reduce forest-loss in deforestation hotspots'

[18] (Camino et al., 2023) 'Indigenous Lands with secure land-tenure can reduce forest-loss in deforestation hotspots'

[19] (Vogel et al., 2022) 'Indigenous-Led Nature-Based Solutions for the Climate Crisis: Insights from Canada'

1.2 FSC's current solutions to address the climate and biodiversity crises

For over 30 years, FSC has promoted environmentally appropriate, socially beneficial, and economically viable management of the world's forests, primarily through the certification of RFM practices according to its globally applicable and recognized Principles and Criteria for Forest Stewardship.

The FSC Principles and Criteria have explicitly recognized biodiversity conservation as an element of RFM from its inception. Their relevance for demonstrating contributions to addressing the climate crisis was noted in the preamble of Version 5 in 2012. **As such, Forest Management Certification represents FSC's most significant potential contribution to the goals of both the UNFCCC and the CBD.**

FSC is broader than a timber certification system. It also covers non-timber forest products and verifies impacts on ES. The FSC Ecosystem Services (ES) Procedure can be used to demonstrate positive impacts of forest management activities with conservation, restoration, or production objectives on various ecosystem services (FSC Verified Impact). Through Chain of Custody Certification, FSC tracks timber and non-timber forest products throughout the supply chain, enabling the contribution of RFM to biodiversity and climate to be recognized in the marketplace and allowing private sector actors to demonstrate their contributions to global goals.

The FSC normative framework – comprising policies, standards, and procedures that guide certification – includes targeted restoration efforts under the FSC Remedy Framework, as well as ongoing restoration responsibilities for all forest management certificate holders, as set out in forest management standards. FSC promotes the recycling of wood materials through its FSC RECYCLED label and has a Circularity Hub that explores further inclusion of circularity into the FSC system. The organization also engages with financial institutions to scale nature-based solutions and to position forests as vital assets in the fight against climate change and biodiversity loss.

The following sections outline FSC's key solutions for tackling climate and biodiversity challenges.

1.2.1 Forest Management Certification

FSC's globally recognized Principles and Criteria for Forest Stewardship and locally adapted Forest Stewardship Standards incorporate rigorous environmental, social, and economic principles into forest operations.

FSC Forest Management Certification prevents deforestation and degradation, ensures the maintenance and enhancement of High Conservation Values (HCVs) – such as rare species or ecosystem functions – and integrates ecosystem-based adaptation principles. FSC forest management standards further require the conservation or restoration of representative sample areas of native ecosystems and their integration into broader conservation areas networks covering at least 10% of the management unit. Globally, these networks account for over 16 million hectares of forest dedicated to conservation. Moreover, Forest Management Certification contributes to upholding the rights of IPs, TPs, and LCs, who play a crucial role in advancing climate resilience and biodiversity conservation.

Through these diverse safeguards and practices, FSC provides a robust baseline for RFM. This, in turn, enables the responsible harvesting of forest products that are pivotal to the global transition to a sustainable bioeconomy, away from materials such as cement, steel, and plastics, whose production accounts for a significant proportion of global GHG emissions.[20]

With SFM included as a key part of NDCs, investments in the establishment of FSC Forest Stewardship Standards in developing countries, as well as in expansion of the application of Forest Management Certification, can be considered part of climate finance. Examples of the use of FSC Forest Management

[20] Roe et al., 2019; Mishra et al., 2022; Hasegawa et al., 2022.

Certification are already found in programmes supported by the Green Climate Fund (GCF)[21] and other public and private climate and biodiversity finance institutions.

1.2.2 FSC Verified Impact

Through the implementation of the ES Procedure, FSC enables forest managers to demonstrate the positive impact of their operations.

The procedure is a voluntary mechanism that provides a stepwise methodology to measure, verify, report, and communicate ES impacts, including carbon sequestration, biodiversity protection, water quality, soil retention, air quality, and others. Once verified by FSC-accredited bodies, ES claims can be used in different ways to enhance the value and recognition of certified forests for their contribution to climate and biodiversity and to help certificate holders access Payments for Ecosystem Services.

Certificate holders are increasingly using the procedure to participate in emerging nature-based markets, linking FSC Forest Management Certification to tangible climate and biodiversity finance flows. For instance, FSC-verified ES impacts can be used in association with external environmental asset registries under Voluntary Carbon Market (VCM) standards. Under such arrangements, ES impacts related to soil and water conservation can complement carbon credits generated through an external methodology to demonstrate compliance with environmental safeguards and show added value in the context of climate change adaptation.

With respect to biodiversity, applications are emerging for the use of FSC Verified Impact to support demonstration of compliance with national regulatory and legal mechanisms. The ES Procedure may be used to determine eligibility for financing and investment opportunities that depend on verified environmental impacts, demonstrating compliance with national or international legal and regulatory mechanisms, and adherence to standards and safeguards related to climate and biodiversity.

1.2.3 Beyond FSC-certified areas

FSC's impact on climate and biodiversity extends beyond FSC-certified forests. FSC's Policy for Association and Requirements for Sourcing FSC Controlled Wood establish strict integrity requirements, prohibiting association with organizations involved in illegal logging, deforestation, and human rights violations, and ensuring that materials originating from deforestation or from forests in which HCVs are threatened do not enter FSC-certified supply chains.

The FSC Remedy Framework sets out requirements to remedy harm caused by unacceptable activities, as defined under the Policy for Association, or by conversion, as defined under the Policy to Address Conversion. By requiring environmental remedy – including restoration, conservation, and social restitution – the framework supports the recovery of forest ecosystems, contributing directly to climate change mitigation and adaptation, biodiversity conservation, and social justice.

1.3 FSC strengths in advancing climate action and biodiversity conservation

FSC's core strength lies in its third-party verified certification model for RFM. This model is operational in over 80 countries and covers more than 160 million hectares of forest globally, making FSC a widely recognized forest certification system not only for timber, but also for non-timber forest products and ES.

FSC is distinguished by its unique multi-stakeholder governance model, which engages civil society, businesses, IPs, TPs, and LCs, and environmental and social groups in its decision-making processes. This inclusive and democratic approach supports the development of balanced solutions that improve buy-in from local stakeholders.

[22] https://www.greenclimate.fund/

FSC strengthens its impact through a global network of teams working around the world, anchoring certification and engagement in local contexts and realities.

Key strengths include:

- **Third-party verified RFM:** The FSC Principles and Criteria apply to all types and scales of forests, including natural forests, plantations, and other vegetation types. FSC-certified forests – whether managed primarily for timber production, conservation, or restoration – demonstrate adherence to a globally recognized RFM standard and are independently verified by third parties. The forest sector has a high profile within the Paris Agreement, including REDD+. The extent of FSC-certified forest area can therefore be used to demonstrate progress towards national climate and biodiversity targets that rely on SFM. FSC offers a globally consistent, internationally recognized approach to verify RFM practices that can be adapted and adopted at the national level – representing a unique selling point in the climate context. FSC Forest Management Certification was recognized within the climate finance sector as early as 2004 by early carbon market exchanges[22] as a means of demonstrating adherence to RFM practices and associated social and environmental safeguards, and more recently as a key eligibility criterion for some GCF-funded forest sector programmes.[23] Other international frameworks, such as the Sustainable Development Goals (Target 15.2) and the GBF (10.2), also recognize the contributions of FSC certification. The contributions of Forest Management Certification have been demonstrated through multiple documented cases across regions and forest types.[24] [25]

  Chain of Custody Certification further complements Forest Management Certification, while the controlled wood system also extends FSC's influence beyond FSC-certified forests.

- **Alignment with environmental and social safeguards:** The FSC forest management normative framework incorporates environmental and social criteria, including biodiversity conservation, upholding the rights of workers, IPs, TPs, and LCs, and incorporation of FPIC. These criteria are aligned with safeguards under compliance standards and the VCM[26] and can therefore be used in association with claims for carbon credits or results-based payments, including the UNFCCC REDD+ mechanism.

- **Verification of ES:** The ES Procedure provides forest managers with a verifiable framework to demonstrate benefits related to biodiversity conservation, water services, and other ES. This offers the potential to scale up the recognition, application, and reach of FSC certification and to facilitate certificate holders' access to nature-based finance.

- **Small-scale and community forestry and equity:** FSC is developing and implementing support mechanisms for small-scale, low-intensity, and community forest enterprises to overcome barriers to certification and to promote equitable access to opportunities available to larger operators. These mechanisms include policy solutions such as the Continuous Improvement Procedure, the Forest Management Groups Standard, tailored standards for smallholders and forest communities, and market tools.

- **Multi-stakeholder platform:** FSC is governed by a global network of more than 1,000 members representing environmental, social, and economic perspectives. Its democratic and participative system brings these diverse perspectives together to develop solutions that promote and safeguard healthy, resilient forests worldwide. Effective engagement with a broad range of stakeholders is a

[22] (Chicago Climate Exchange, 2011) 'Rulebook, Phases I and II'
[23] https://www.greenclimate.fund/project/fp128; https://www.greenclimate.fund/project/fp263; https://www.greenclimate.fund/project/fp273
[24] (FSC) 'Performance and outcomes of FSC certification'
[25] (FSC) https://open.fsc.org/communities/c577cab9-760c-40d1-ac9b-80f9a85f61b3
[26] (Verra, 2024) https://verra.org/verra-and-fsc-sign-mou-to-enable-concurrent-certification-process/

core feature of the organization and a key factor in the success of its work. From solutions fora to direct engagement with governments and other important partners, FSC takes an active role in many dialogue platforms. Moreover, FSC has a network of Standard Development Groups responsible for developing Forest Stewardship Standards, as well as local teams that enable the organization to deliver its global mission on the ground.

1.4 Limitations in advancing climate action and biodiversity conservation

Despite these strengths, FSC faces a number of structural and operational challenges that limit its full impact on climate and biodiversity outcomes:

- **Need for more systematic measurement and demonstration of Forest Management Certification impacts:** While empirical evidence indicates that, at a global level, FSC Forest Management Certification contributes to increased forest cover,[27] forest management standards do not provide a direct mechanism to demonstrate climate and biodiversity outcomes. The ES Procedure offers a way to showcase impacts. However, it is a voluntary add-on to Forest Management Certification and is still in the early stages of adoption. In addition, there is reluctance among certain certificate holders and certification bodies to collect and share data, along with structural limitations within the current model, under which certification bodies act as the primary data collectors.

  Moreover, FSC lacks efficient digital systems – in particular spatial systems – to capture, verify, track, and communicate impacts such as carbon sequestration, biodiversity gains, and social outcomes. Current reliance on Excel templates, PDFs, and manual systems slows data collection and impedes the development of data analytics and the use of advanced geospatial and AI capabilities. While initiatives like the launch of the ES Registry represent progress, these limitations hinder the ability to generate actionable insights into trends and patterns.

- **Need to expand uptake, particularly among smallholders, IPs, TPs, and LCs**: Forest managers, particularly in these groups, often face barriers such as certification costs, technical complexity, and the need for more localized support. FSC's current capacity-building efforts are insufficient to meet the growing demand for enhanced training and financial investment.

- **Market access and financing remain critical barriers**: While interest in high-quality carbon and biodiversity markets is increasing, FSC certificate holders face challenges, including limited alignment with market standards, a lack of tailored methodologies for credit issuance, and limited investment-readiness support. Similarly, while there is market demand for FSC-certified products, buyer awareness needs to be raised, especially in emerging markets.

- **Biodiversity indicators:** FSC currently lacks robust biodiversity indicators, limiting its ability to monitor biodiversity outcomes and to align more closely with global targets, including GBF Targets 1 (spatial planning), 2 (restoration), and 3 (protected area coverage). Moreover, implementation of HCV requirements varies by region, potentially leading to inconsistencies in biodiversity outcomes.

- **Recognition in the restoration space:** While FSC Forest Management Certification can encompass a range of different objectives – including the production of timber and non-timber forest products, conservation and restoration – FSC has limited engagement in large-scale forest landscape restoration and lacks clear examples or recognition of Forest Management Certification being used as a solution for restoration. Further limitations include constrained capacity to advance specific solutions, as well as the long-term development and investment required for certification solutions.

[27] (Boubacar I., and Sissoko Y., 2025) Journal of Cleaner Production Vol. 518: 'SFM through certification and wood products trade: Analyzing the role of FSC across diverse economic and climate contexts'

1.5 Opportunities to expand FSC's impact on climate and biodiversity

FSC has the potential to expand its impact on climate and biodiversity through enhanced effectiveness, scope and visibility, and mobilization as described below:

1.5.1 Enhanced effectiveness

- **Strengthening forest management standards for climate resilience**: FSC forest management standards can be updated to address climate risks and the anticipated impacts of climate change on forests more explicitly. To mainstream the demonstration of climate results, intended outcomes on climate mitigation and adaptation could be embedded in the standards.
- **Advancing biodiversity certification and monitoring**: To further align with the GBF and the CBD, FSC could improve conservation provisions and introduce biodiversity outcome indicators across forest management standards. It could further scale its impact by developing regional or national guidance for HCVs.
- **Advancing rights-based conservation**: In alignment with Motion 37/2025 'Facilitating Indigenous Certification', FSC can strengthen its role in rights-based conservation by enhancing the inclusion of IPs, TPs, and LCs in decision-making processes, standard setting, and knowledge sharing.

1.5.2 Enhanced scope and visibility

- **Promoting the relevance of Forest Management Certification and Verified Impact for climate change** in alignment with Motion 47/2025 'Promote FSC certification and ecosystem services verification as relevant climate change investment tools'.
- **Strengthening the recognition of FSC certification in global climate and biodiversity frameworks** in alignment with Motion 34/2025 'Enhancing the Recognition of FSC Certification in International Regulatory Frameworks'.

  To support international goals under the Paris Agreement and the CBD, FSC could scale up its presence and proactive advocacy in the Conference of the Parties (COP) and negotiations under both the UNFCCC and the CBD. FSC should also engage with governments to promote the role of FSC certification in the context of the Paris Agreement, the CBD, and in the application of the Global Goal on Adaptation monitoring framework**.**

  Signatories to the Paris Agreement may develop up to three national strategic documents: NDCs, a National Adaptation Plan and a National REDD+ Strategy. These high-level political commitments set out how the forest sector will contribute to the achievement of the country's climate-related goals, offering the opportunity to demonstrate the importance of mainstreaming FSC certification into national systems and markets, as an integral part of the country's climate strategy.

  Similarly, National Biodiversity Strategies and Action Plans (NBSAPs) under the CBD provide a framework for countries to plan and track biodiversity conservation efforts, presenting additional opportunities for FSC to provide quantified data for NBSAPs.
- **The Global Goal on Adaptation and a consolidated list of indicators** were negotiated at the UNFCCC COP 30 in Belém. Ten indicators will cover the category of ecosystem and biodiversity,[28] offering the opportunity to demonstrate the relevance of Forest Management and Chain of Custody Certification and Verified Impact as verification mechanisms for national performance against ecosystem-based adaptation indicators.

[28] (UNFCCC, 2025) 'Final list of potential indicators, UAE–Belém work programme on indicators'

- **Strengthening FSC's partnership with VCM standards:** The ES Procedure is closely aligned with the emerging needs of VCM project developers to demonstrate benefits in the context of climate change adaptation. For example, in 2022, FSC and Verra signed a memorandum of understanding to explore potential approaches to concurrent certification processes.[29] The ES Procedure can also complement carbon accounting methodologies and associated standards.
- **Enhancing FSC's contribution in the forest restoration space:** The organization could strengthen its role in the UN Decade on Ecosystem Restoration by enabling verification and/or certification of afforestation and restoration efforts on degraded forest lands. This could involve further clarifying the relevance of Forest Management Certification and Verified Impact for forest restoration, as well as developing restoration-specific modules, in alignment with Motion 46/2025 'FSC shall certify restoration'.

1.5.3 Enhanced resource mobilization

- **Enabling climate and biodiversity finance:** FSC can promote the use of Forest Management Certification and Verified Impact as eligibility criteria for financing and investment opportunities. Partnerships with climate finance institutions and mechanisms could be pursued to bolster funding for RFM. FSC certification can serve as a recognized de-risking mechanism to attract sustainable finance, reducing investment risk and enabling access to more favourable financing terms.
- **Growing strategic private sector partnerships and policy influence:** FSC can continue to expand its global influence through partnerships with initiatives to help define science-based forest targets and to enhance FSC-certified companies' access to sustainable investment and improve transparency and corporate sustainability reporting. Partnerships with the private sector can unlock additional investments and support business sustainability strategies, leading to an increase in demand for FSC-certified products and Verified Impact.

  Moreover, FSC Chain of Custody Certification provides companies trading or investing in forest value chains with a tool to track the environmental impacts of their investments. Whole Life Carbon Accounting (WLCA) is increasingly being incorporated into national efforts towards net zero emissions.[30] FSC could assess the opportunities for Chain of Custody Certification as a means of demonstrating compliance with Scope 3 accounting standards, benchmarked against voluntary standards and relevant national regulatory frameworks.

[30] (UNEP Finance Initiative (FI), 2024) 'Tackling Hidden Emissions for a Net Zero Transition'

2. Theory of Change

The Theory of Change (ToC) for the FSC Climate and Biodiversity Strategic Framework 2026–2032 is grounded in the critical role that forests and sustainable forest management (SFM) play in mitigating and adapting to ongoing climate change, fostering biodiversity, and generating the wide range of ecosystem services (ES) that healthy and resilient forests provide, such as water regulation, soil protection, and air purification.

Problem statement

Forests are under severe threat, hindering their crucial role in climate change mitigation and adaptation, biodiversity conservation, and the provision of ES. This is compounded by weak governance, insufficient economic incentives for forest stewards and other supply chain actors, and inequitable access to resources.

Vision of change

To realize **FSC's 2050 vision of resilient forests sustaining life on Earth**, the world's forests must be valued for the wide range of benefits they provide, including their critical role in mitigating and adapting to the impacts of climate change and fostering biodiversity.

In line with this overarching vision, this ToC outlines the pathway towards realizing a world where "**forests are valued and managed to contribute to climate change mitigation and adaptation and enable biodiversity and forest-dependent people to thrive**", forming the vision of this Strategic Framework.

This vision encompasses all of the world's forests, both within and beyond FSC-certified areas, and includes diverse forest types, such as rainforests, mangroves, agroforestry, and other woodland ecosystems. To promote long-term solutions, it is essential to consider the people who live in forests and depend on them for their livelihoods. Forest-dependent people include Indigenous Peoples (IPs), traditional peoples (TPs), and local communities (LCs), forest managers and workers who take responsibility for and derive benefits from forests.

The ToC recognizes that forests contribute to climate mitigation and adaptation more effectively when they are sustainably managed. It identifies the systemic changes required to empower individuals, governments, businesses, and organizations to engage in SFM, including responsible production of timber and non-timber forest products, conservation, valuation of ES, restoration, reforestation, and afforestation.

While the ToC is framed from FSC's perspective, it extends beyond FSC's direct sphere of influence. It recognizes that certain incentives for SFM may be more effectively addressed by other actors. Nevertheless, FSC must remain aware of these broader dynamics, as they directly affect the realization of the vision of this Strategic Framework. Furthermore, this ToC will be embedded within the ToC that is being defined for FSC's Global Strategy 2027–2032, ensuring direct correspondence between the change pathways identified in that strategy with those of this Strategic Framework. Both recognize the central role of knowledge and evidence, as well as the provision of the appropriate incentives through markets and policies.

Three main preconditions are required to realize the vision, relating to: (1) knowledge and practices, (2) market systems, and (3) policies and partnerships. These three are closely interconnected, as policy changes can influence and steer market dynamics and forest management practices, and vice versa.

Markets can support SFM by rewarding responsible practices and creating demand for certified products. Policies provide the framework for these markets to grow, especially when aligned with global agreements on climate and biodiversity. Policies and finance can boost SFM by providing incentives like subsidies or green procurement, while forest managers must meet both regulatory and market requirements to access these benefits.

1. **Forest management knowledge and practices that contribute to global climate and biodiversity goals are developed, validated, and adopted**

   To enhance the contributions of forests to climate change mitigation and adaptation, while conserving biodiversity, it is vital that forest managers have the appropriate knowledge and competencies to adopt effective practices. This includes knowledge on how to manage existing forests, as well as how to design and implement afforestation projects, for example, by selecting a suitable site, establishing mixed-species stands of native resilient species, and engaging LCs. Such practices are shaped by policy and regulatory frameworks or promoted through voluntary certification. Examples of climate-smart and biodiversity-friendly forest practices include measures to prevent degradation and deforestation, identify and prevent climate-related risks, set aside areas for conservation and landscape connectivity, manage deadwood, and retain large trees.

   Knowledge arising from scientific research, as well as traditional knowledge, should be widely accessible to ensure that good practices are known and adopted. The knowledge of IPs, TPs, and LCs in particular offers valuable context-specific solutions and replicable practices.

2. **Markets incentivize forest management practices that contribute to global climate and biodiversity goals**

   For SFM to become scalable, market systems and financial mechanisms must actively reward practices that deliver climate and biodiversity benefits. This requires a shift in how value is created, recognized, and distributed across forest landscapes and supply chains.

   While growing consumer interest is a key driver, it must be complemented by structural incentives that make SFM economically attractive, financially accessible, and reputationally valuable for forest managers, producers, and businesses across the supply chain.

   Markets for timber, non-timber forest products, and ES must be structured to recognize and reward the value of SFM. This includes mechanisms that differentiate certified or verified products, enable access to premium markets, and reduce barriers to entry, especially for smallholders.

   On the supply side, forest stewards and businesses across the supply chain require clear economic and reputational incentives to adopt SFM and robust chain of custody practices. Such incentives include both profitability (through increased revenues and reduced costs) and enhanced public trust (achieved through certification labels, marketing initiatives, and/or business sustainability strategies, including voluntary and mandatory reporting commitments).

   Forest managers can gain access to new markets, payments for ES, and price premiums, while also benefiting from improved access to investment capital through impact investors, favourable loans, and specialized forest funds. Moreover, integrating circular economy approaches, such as cascading use, wood waste recycling, etc. into forest-based industries, can optimize material use, improve the sustainability profile of producers, and reduce pressure on forests.

   On the demand side, consumers and buyers must understand and recognize the climate and biodiversity benefits of responsible purchasing decisions, adjust their consumption patterns, and be willing to pay price premiums. When these preferences are reflected in procurement policies, Environmental, Social, and Governance (ESG) strategies, and sustainability reporting, they send strong signals to producers and forest managers. The broader adoption of sustainable wood, for example, can accelerate a shift away from more carbon-intensive materials such as concrete and plastics, particularly in the construction and packaging sectors.

   When markets are intentionally structured to reward climate-smart and biodiversity-friendly forest management through financial, reputational, and structural incentives, they become not only a rational

business choice, but also a transformative force for forest stewardship, driving systemic change across value chains.

3. Policies and partnerships support the contribution of forests to climate and biodiversity goals

Supportive policy environments and strong partnerships are essential to mainstream climate-smart and biodiversity-friendly forest management. Policies at all levels should facilitate the adoption of SFM practices, in alignment with international frameworks and policy mechanisms – such as the Paris Agreement, including the Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) mechanism, and the Kunming-Montreal Global Biodiversity Framework (GBF) – to strengthen their effectiveness in combating climate change and promoting biodiversity.

Policies can also encourage the uptake of sustainable practices through fiscal incentives, such as tax reductions or subsidies, or by establishing prerequisites for public procurement. Similarly, grant systems should be aligned with climate and biodiversity outcomes.

Equitable governance is a fundamental aspect of effective policy. Legal frameworks must uphold the rights and livelihoods of IPs, TPs, and LCs, including formal recognition of land rights and adherence to the principle of Free, Prior, and Informed Consent (FPIC). Policies should also promote inclusivity by addressing gender and social equity to ensure that all forest-dependent people can participate in decision-making, have access to forest resources, and share the economic benefits of SFM.

Multi-stakeholder partnerships, including with governments, civil society, the private sector, and communities, are critical for coordinated action, knowledge sharing, access to finance, and scaling impact across regions and sectors to support climate and biodiversity goals.

Cross-cutting preconditions and enablers

For evidence-based practices, informed decision-making, effective policies, and markets to take hold, the impacts of sustainably managed forests on climate and biodiversity must be regularly monitored, demonstrated, and communicated.

Technological innovations and data analytics play a crucial role in monitoring this impact and providing tools to track forest health and detect deforestation. Satellite imaging, drones, and other remote sensing technologies enable governments, researchers, forest managers, and organizations to monitor changes in forest cover, quantify and track carbon storage, and identify areas of concern. **Data and evidence** are fundamental for all three of the key preconditions described above, as visualized in the ToC diagram.

To make a more meaningful contribution to these changes, FSC must look beyond the boundaries of FSC-certified forests and influence policies, markets, and practices that impact the entirety of the world's forests. FSC must build on its institutional strength and knowledge in standard setting and its unique role as a platform for dialogue and a solution for verified RFM. Given that forests and the lands on which they stand are contested spaces with multiple, and often competing, interests, FSC's contribution to the above vision must embrace and build on its strength in driving consensus among a broad range of interest groups, including multilateral organizations, the private sector, governments, and civil society. These contributions are elaborated in the next chapter.

The ToC also identifies **key enablers** that are fundamental to its realization. FSC will take these into account when designing its intervention strategies:

- **Technology and innovation, including effective geospatial monitoring and verification systems**. Without accurate and reliable information, it will be impossible to demonstrate the impact of forest practices on climate and biodiversity. Furthermore, data will be used to drive analytics and related capabilities (such as AI and modelling) for effective and efficient monitoring and verification systems that allow for robust oversight of processes.
- **Scientific and traditional knowledge and research** will represent fundamental inputs that inform the rationale for SFM interventions and related policy advocacy.

- **Multi-stakeholder partnerships**, including governments, multilateral and regional organizations, the private sector, and LCs, are a key enabler for these changes to take place and be sustained.
- **Advocacy** for both policy and behavioural change is recognized as an enabling factor for change to take place towards more sustainable and impactful forest management.
- **A people-centred approach** will underpin the realization of this ToC. To remain aligned with the vision of empowered and thriving communities and forest-dependent people, people need to be placed at the centre of all processes. This includes applying gender lenses and being mindful of workers' vulnerabilities.

The fundamental changes described are based on the following key **assumptions**:

- Sustainably managed forests, whether for timber production, conservation, or restoration, lead to higher levels of carbon sequestration and storage. This assumption will need to be consistently verified, including through FSC's actions.
- Restoration, conservation, and enhancement of biodiversity, together with protection of the rights of IPs, TPs, and LCs, will lead to an expansion of resilient forest areas.
- The knowledge and practices of IPs, TPs, and LCs contribute to climate resilience and biodiversity conservation.

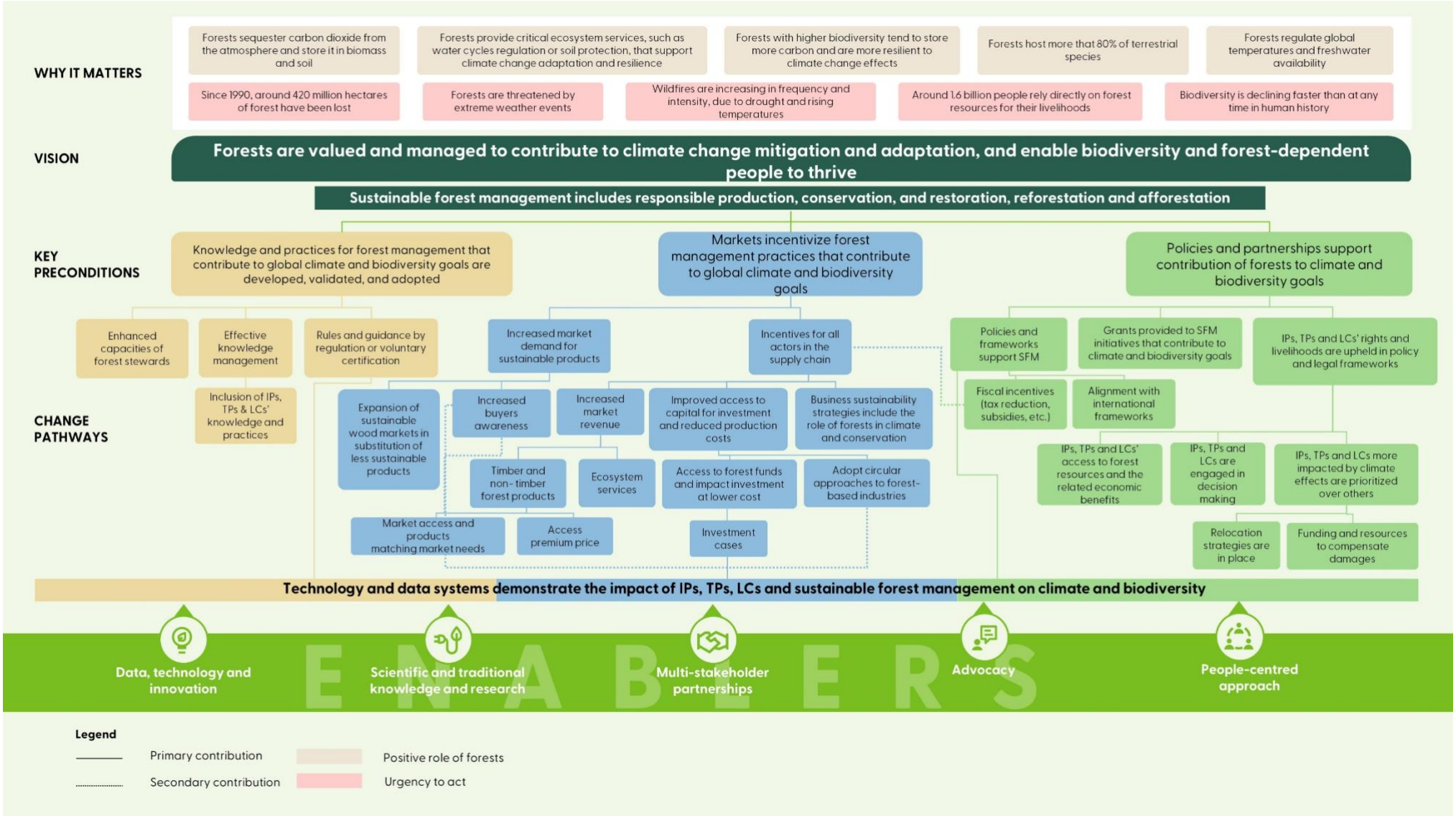
The ToC also acknowledges that the overall strategy may be affected by a number of high-level **risks**, including:

- Shifts in national and global commitments to climate action and biodiversity conservation that could weaken the rationale for this Strategic Framework
- Geopolitical and political instability and deterioration of overall governance
- Economic downturns that would reduce the availability of finance for investments and constrain the markets for sustainable forest products and services
- Impacts of extreme climate events (such as megafires and droughts) that exceed the adaptive capacity of forests, leading to a loss of sustainably managed forests
- Further expansion of agriculture, mining, and infrastructure, driving deforestation and forest degradation at a rate that outpaces conservation and restoration efforts.

While these risks lie beyond FSC's sphere of influence, they will be considered and monitored given their potential to significantly affect the achievement of FSC's expected results, and might require a shift in FSC's approach.

The following chapter describes how the solution pathways were translated into strategic priorities for this Strategic Framework and shaped results (outcomes and outputs) for FSC's contribution and delivery.

Overall Theory of Change for FSC's vision on climate and biodiversity



3. Strategic Priorities

FSC's contribution to the realization of the vision is structured around three priority areas, reflecting the main preconditions identified for progressing towards a world in which forests are valued and managed to contribute to climate change mitigation and adaptation, while enabling biodiversity and forest-dependent people to thrive.

The Theory of Change (ToC) for FSC's work builds on the organization's core strengths in standard setting and its role as a dialogue platform for its community of members, certificate holders, certification bodies, and other relevant stakeholders.

Through the implementation of this Strategic Framework, FSC will reinforce its role in:

- **promoting** forest management practices that contribute to climate and biodiversity goals
- **leveraging** markets and finance to incentivize forest management practices that contribute to climate and biodiversity goals
- **advancing** policy and partnerships to harness forests as climate and biodiversity solutions.

Data and knowledge management are recognized as enablers for these three priorities and as a fundamental precondition for realization of the vision. Specific data-related outputs have been identified under each strategic priority.

Strategic Priority 1: Promote forest management practices that contribute to global climate and biodiversity goals

Research shows that healthy and resilient forests that foster richer biodiversity also sequester more carbon than degraded forests, which often act as net sources of carbon emissions.[31] Responsible forest management (RFM) prevents deforestation and forest degradation and conserves biodiversity, contributing to climate change mitigation and strengthening forest resilience.

In terms of climate change adaptation, forests under FSC's scope – including agroforestry, mangroves, and coastal forests – have diverse functions that contribute to reducing surface heat, managing water cycles, and providing a physical buffer against hydrological disasters such as floods, cyclones, and tsunamis, while also providing numerous other ecosystem services (ES).

Ensuring that forest management integrates these functions will require FSC to strengthen requirements for adaptive forest management into standards, planning, and practices, further promoting RFM and the expansion of forest cover.

With this in mind, this strategic priority aims to contribute to the following outcome:

Outcome 1. Forest management practices integrate climate change mitigation and adaptation, and biodiversity conservation objectives

This outcome explores how FSC can contribute to these practices through the existing normative framework, strengthening and expansion of this framework, capacity building for forest managers, and learning from the traditional knowledge and practices of Indigenous Peoples (IPs), traditional peoples (TPs), and local communities (LCs).

[31] (FAO, 202) 'Global Forest Resources Assessment (2020)' (https://www.fao.org/3/CA8753EN/CA8753EN.pdf)

Outcome 1 focuses on integrating climate and biodiversity – including afforestation and restoration – into its normative framework more explicitly or intentionally. This integration will be informed by the latest scientific knowledge, the traditional knowledge and practices of IPs, TPs, and LCs, and by market needs.

Under this outcome, FSC also aims to strengthen the capacities of forest managers and facilitate the sharing of relevant knowledge on effective practices, ensuring that they are better equipped to improve their operations.

The ToC for FSC's contributions in this area is grounded in the role of certification in RFM. It assumes that appropriate requirements and third-party verification and knowledge can drive climate and biodiversity objectives, including the avoidance of deforestation and forest degradation, as well as restoration outcomes.

Output 1.1 FSC forest management standards and guidance include provisions on climate change mitigation and adaptation, and biodiversity conservation

This output will be delivered by maintaining relevant provisions and strengthening the forest management normative framework to clarify and enhance the contributions of FSC certification solutions to climate and biodiversity.

The revision of the **FSC Principles and Criteria and International Generic Indicators (PCI), and their subsequent transfer into Forest Stewardship Standards**, enables delivery of this output by:

- Retaining provisions to prevent illegal logging, deforestation, and forest degradation;
- Considering the particular significance of diverse forest and woodland types – such as mangroves and agroforestry – to climate and biodiversity goals, in the scope of Forest Management Certification;
- Developing tailored solutions for different users (for example, smallholders, IPs, TPs, and LCs) and management objectives (timber production, conservation, and restoration);
- Recognizing the importance of future-proofing against climate risks and integrating provisions for climate mitigation and adaptation (for example including through incorporation of the latest climate science and projections, monitoring and mitigation of climate-induced risks, measures for forest fire prevention, and use of more resilient species) and defining key intended outcomes;
- Improving existing conservation provisions (for example, by clarifying the definitions of conservation versus protection, strengthening the protection of High Conservation Values (HCVs), in alignment with Motion 43/2025 'Strengthening identification, protection and monitoring of forest HCV (1-6)', and providing workable certification solutions for the protection of Intact Forest Landscapes, in alignment with Motion 45/2025 'Moving beyond fixed thresholds to outcome-based conservation for Intact Forest Landscapes (IFLs)'), and defining key intended outcomes for biodiversity conservation, with consideration of stakeholder and market needs.

Standards must be co-created with FSC members and certificate holders to ensure that they are streamlined, outcome- and customer-oriented, and do not translate into additional burdens for certificate holders.

New provisions can be tested in priority countries (for example those most vulnerable to climate change) to enable thorough cost-benefit analysis.

FSC will also explore opportunities for **alignment of normative documents** with other like-minded organizations to create synergies and amplify the impact on climate and biodiversity across commodities and beyond areas certified by a specific system.

Output 1.2 Afforestation and restoration of degraded forests and land are facilitated

Recognizing that increasing forest cover and restoring degraded forest ecosystems can significantly contribute to global climate and biodiversity goals, FSC will showcase the contributions of existing FSC normative solutions, and strengthen and expand them by:

- **Documenting case studies** of ongoing restoration efforts under Forest Management Certification, Verified Impact solutions, and the FSC Remedy Framework;
- **Implementing capacity-building initiatives** on FSC restoration solutions, including the FSC Remedy Framework to strengthen stakeholders' capabilities;
- **Conducting an analysis** of the afforestation and restoration sector, including market needs, impact, growth potential, and risks for FSC;
- **Developing a restoration certification module or explicitly integrating restoration into revision of the PCI**, in line with Motion 46/2025.

These activities aim to support the adoption of high-quality restoration practices and facilitate their uptake, leading to larger areas of healthy forests, which will, in turn, contribute to climate and biodiversity goals.

Output 1.3 Integration of climate risks into risk assessment frameworks is explored, and implementation initiated based on the assessed impacts

By **exploring the inclusion of climate risk indicators in its risk assessment frameworks**, FSC aims to impact areas beyond FSC-certified forests.

Through this intervention, FSC can establish global benchmarks for climate risks that companies, for example, will need to consider in order to avoid negative impacts when sourcing wood from non-certified areas. To maximize impact, FSC will approach this in coordination with other like-minded organizations.

FSC will explore the revision of the FSC Risk Assessment Framework and related risk assessments in the second half of the strategic period, once relevant provisions for climate have been incorporated into revision of the PCI.

Output 1.4 Knowledge of Indigenous Peoples, traditional peoples, and local communities that supports climate resilience and biodiversity conservation is acknowledged and integrated into forest management practices

The knowledge systems of IPs, TPs, and LCs combine traditional elements and recent innovations and are fundamental resources for climate and biodiversity actions.[32]

FSC – through the organization's Indigenous Foundation, Permanent Indigenous Peoples Committee, and local teams – is well positioned to deliver on this output through the following main interventions:

- **Integrating knowledge into standards:** FSC will ensure outreach and consultation with representatives of IPs, TPs, and LCs during the development of Forest Stewardship Standards in countries and regions where they live. This approach recognizes their knowledge and enables it to be applied in context-specific ways.
- **Strengthening capacity** for the implementation of requirements related to the rights of IP, TPs, and LCs (Principles 3 and 4 of the FSC Principles and Criteria), enhancing their participation in forest-related decision-making processes.

[32] (FAO) 'Indigenous Peoples´ knowledge and climate change' (https://www.fao.org/indigenous-peoples/pillars-of-work/indigenous-peoples--knowledge-and-climate-change/en)

- **Disseminating knowledge**: FSC is committed to working with IPs, TPs, and LCs, as well as drawing on research to document and disseminate knowledge to a broad range of stakeholders, subject to consent. Knowledge management mechanisms (such as the FSC Impact Dashboard, Research Portal, or science sessions) will facilitate the sharing and replication of best practices and local wisdom within the FSC context and beyond.

Output 1.5 Forest stewards have improved capacities to implement climate-smart and biodiversity-friendly practices

Forest stewards are key actors on the ground, and their capacities directly influence forests and their ability to address climate and biodiversity challenges.

To equip forest managers with the required skills, expertise, and knowledge, FSC will **develop normative documents and guidance, implement capacity-building activities, and disseminate up-to-date information**, in particular by:

- Continuing the development of HCV Frameworks within Forest Stewardship Standards to support the identification, conservation, and management of areas of high ecological value, as well as developing additional guidance for local implementation;
- Providing training on climate-smart forestry and providing advisory support to forest managers;
- Documenting case studies and sharing them across regions to enable peer learning, including examples of certification of different forest types, such as agroforestry systems and mangroves;
- Developing national guidelines for adaptation and mitigation actions, grounded in science evidence;
- Developing guidance on climate and biodiversity outcome monitoring and innovative technologies, such as Earth Observation;
- Developing a repository with up-to-date scientific knowledge (e.g. species behaviour in relation to adaptation) and data collection methods, to facilitate the implementation of RFM for climate and biodiversity.

Local FSC teams are central to delivering a number of these activities, providing on-the-ground expertise and support. In addition, establishing and strengthening strategic partnerships can amplify the effectiveness and reach of these efforts.

Moreover, recognizing the impacts of climate change on workers, FSC will engage with organizations that are active in the Just Transition space to learn from their experiences and explore potential pathways for FSC's engagement.

Output 1.6 Data and insights on climate and biodiversity outcomes of Forest Management Certification are generated and made available

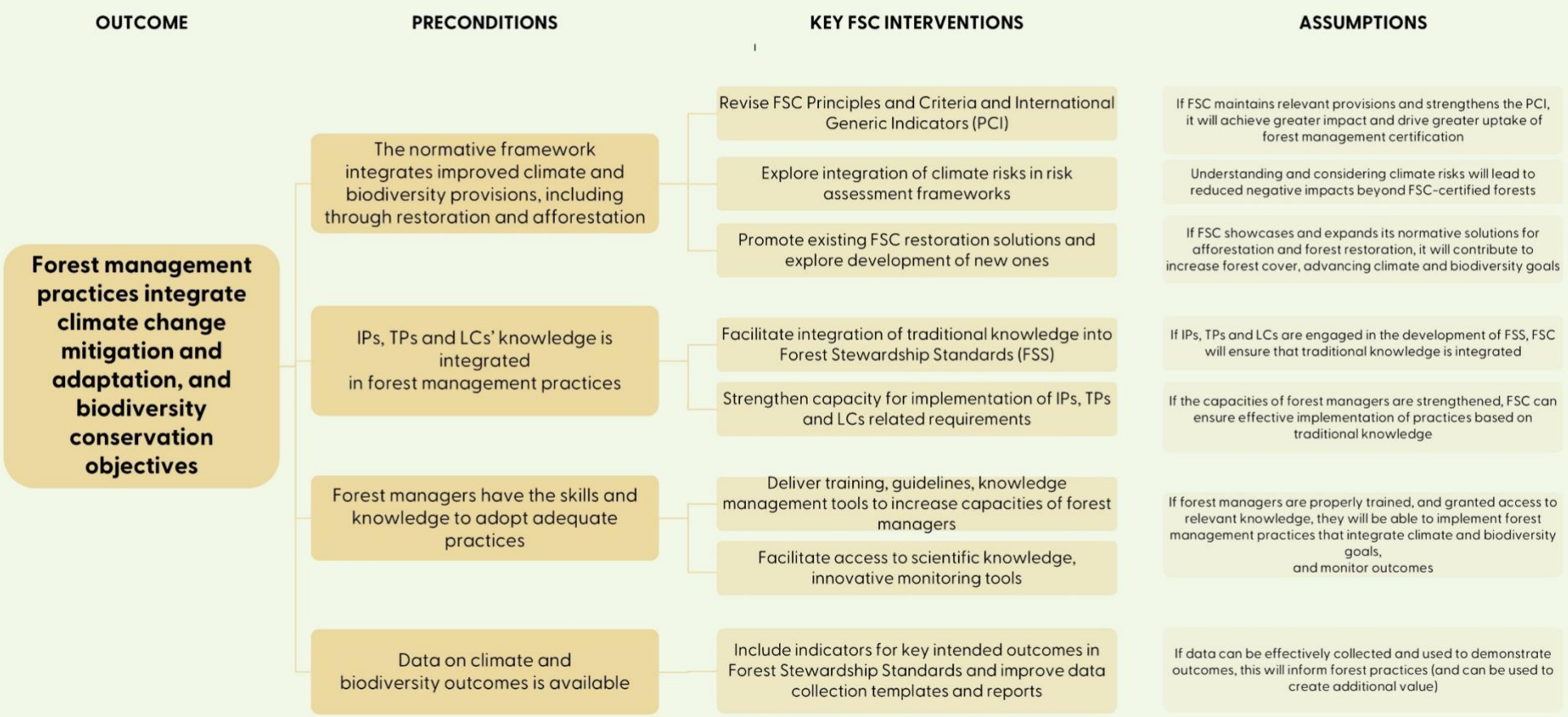
FSC Forest Management Certification has the potential to generate data on the impact of RFM on climate and biodiversity. Demonstrating these impacts strengthens FSC's reputation and can help certificate holders access economic incentives. At the same time, changes to forest management standards must avoid undue burdens on certificate holders – particularly smallholders – and certification bodies.

Data from forest management certification, together with data from Verified Impact solutions and external sources (see outputs 2.5 and 3.3), are essential for FSC to remain relevant, credible, and competitive in a changing market where demonstration of sustainability impacts is increasingly required.

FSC will deliver on this output by:

- **Prioritizing climate and biodiversity outcomes during the revision of FSC-PRO-60-006 and developing outcome-oriented indicators during the revision of the PCI**: Forest management standards will include indicators that enable FSC to effectively demonstrate and communicate the positive climate and biodiversity outcomes of FSC certification at national, regional, and global levels. These data will guide adjustments to forest practices and/or normative documents if the intended outcomes are not achieved, and also support certificate holders in accessing finance (see outputs 2.4 and 2.5).
- **Improving data collection and reporting**: Implementation of this approach will require improvements to reporting requirements for certification bodies (FSC-STD-20-007), along with improvements to the digital templates (current digital audit report (DAR)) and information sharing tools, to ensure that the most relevant data are captured. FSC will seek to simplify its reports to facilitate stakeholder understanding of the impacts of FSC certification.
- **Promoting innovating technologies,** such as remote sensing, to streamline data collection and reduce costs.

Theory of Change for Strategic Priority 1:
Promote forest management practices that contribute to global climate and biodiversity goals



Strategic Priority 2: Leverage markets and finance to incentivize forest management practices that contribute to global climate and biodiversity goals

This second strategic area highlights the role of FSC in the creation, expansion, and utilization of markets and finance to incentivize RFM by rewarding forest stewards and supply chain actors for maximizing the role of forests for climate and biodiversity.

Markets include timber and non-timber forest products, ES (including biodiversity conservation, carbon sequestration and storage, water services, soil conservation, recreational services, cultural practices and values, and air quality), and financial markets linked to green impact investment and other forms of forest finance. Market dynamics can be leveraged to ensure that the role of forest-dependent people in restoring, preserving, and responsibly managing forests is equally rewarded. The ToC for this outcome also acknowledges that the marketplace availability of FSC-certified products cannot be taken for granted. These efforts will help increase the number of certified producers (and products), expanding FSC's market presence globally.

FSC contributions are geared towards realization of the following outcome:

Outcome 2. Markets and finance support forest management practices that contribute to climate and biodiversity objectives

FSC´s contribution to this outcome is anchored in the value proposition of its solutions, including certification, providing certificate holders with credibility, assurance, and promotion across market incentive layers. This ranges from rewarding responsible practices to responding to consumer, buyer, and investor demand, and enabling financial investment.

FSC contributions are captured in the following specific outputs:

Output 2.1 Increased awareness among buyers of the importance of responsibly sourced and certified products, and of forest-based substitutes for fossil-fuel based products

Consumers and the broader buyer ecosystem need to be aware of, and trust, the role of responsibly managed forests in mitigating and adapting to the impacts of climate change and preserving biodiversity. This should lead to willingness to recognize and support the added value of forest products from these sources.

To highlight the contributions of FSC-certified forests to climate and biodiversity, as well as the importance of responsibly sourced forest products, FSC will:

- **Improve the traceability of forest products and transparency in the supply chain,** ensuring that certified forest products are linked to responsible practices, reinforcing trust among buyers, consumers and stakeholders, in alignment with Motion 30/2025 'A roadmap for a digital information and volume control system to improve the integrity of FSC claims'.
- **Raise awareness through communication and marketing campaigns**, globally and locally, of the value of responsibly managed forests and their role in climate and biodiversity. These campaigns aim to position FSC as a key solution, influencing purchasing choices and procurement policies, as well as driving demand for FSC-certified products and Verified Impact solutions.
- **Promote responsibly sourced forest products as alternatives** to fossil-fuel based and other unsustainable materials that can lead to deforestation and forest degradation, while also considering the importance of reducing overall consumption to ease pressure on the environment. Effectively communicating the value of forest management, including demonstration of outcomes on climate and biodiversity (as per output 1.6) and FSC Verified Impact, is vital to establish these products as trusted solutions.

Output 2.2 Certificate holders throughout the supply chain have increased incentives for responsible forest management and product sourcing that contribute to climate and biodiversity objectives

Those who depend on and care for forests – including IPs, TPs, LCs, and forest managers – and those sourcing forest products responsibly should have the appropriate incentives to commit to RFM and prioritize climate and biodiversity objectives. FSC certification provides the assurance that markets need to facilitate these incentives, enabling certificate holders to access them.

FSC will contribute to mobilizing incentives for forest management and chain of custody certificate holders by:

- **Defining and communicating the FSC value proposition on climate and biodiversity** to various stakeholders, in alignment with Motion 33/2025 'Strengthening FSC's value proposition', emphasizing its role in providing independent verification of RFM practices contributing to forest conservation, restoration, deforestation-free supply chains, and positive impacts on ES.
    - To governments: to enable market access, premium pricing, and payments for ES, and to demonstrate national progress towards international climate and biodiversity commitments;
    - To the private sector: to enable market access, premium pricing, and payments for ES, to provide verified data on climate and biodiversity outcomes as a safeguard for carbon credit schemes, to support demonstration of compliance with voluntary and mandatory reporting commitments, as well as to facilitate access to capital, reduce reputational risks and enhance the profiles of Environmental, Social, and Governance (ESG) strategies;
    - To IPs, TPs, and LCs: to enable market access, premium pricing, and payments for ES.
- **Facilitating payment for ES**: FSC will develop and integrate methodologies into its normative framework to measure and monetize impacts on ES, such as high-quality carbon or biodiversity credit systems, helping companies to meet regulatory requirements and voluntary targets. FSC will develop initiatives to attract sponsors for Verified Impact and prioritize the integrity of its solutions to ensure that FSC's role in carbon and biodiversity credits remains robust, ethically grounded, and aligned with global climate and biodiversity goals.
- **Further improving alignment with global frameworks**, including the Paris Agreement, the Kunming-Montreal Global Biodiversity Framework (GBF), and the Sustainable Development Goals, to raise the profile of FSC certification for the public and private sector and increase incentives for certification, in alignment with Motion 34/2025, 'Enhancing the Recognition of FSC Certification in International Regulatory Frameworks'. This includes clear communication of the alignment.
- **Exploring opportunities in the supply chain:** FSC will assess its role in facilitating Scope 3 emissions calculations in forest product supply chains, and in Life Cycle Assessments (LCA) required by mandatory or voluntary frameworks and explore driving forces for companies to invest in biodiversity.

Output 2.3 Mechanisms are in place to facilitate market access for Indigenous Peoples, traditional peoples, and local communities

For markets to play a transformative role in unlocking the full potential of forests for climate and biodiversity, the role of IPs, TPs, and LCs in RFM must be recognized and rewarded. Ensuring the economic viability of forests managed by these groups is critical as it reinforces responsible forest practices while safeguarding their rights, knowledge, cultures, and livelihoods.

FSC will deliver on this output by:

- **Working with IPs, TPs, and LCs to implement FSC solutions**: FSC can provide technical support to communities to facilitate adequate implementation of relevant requirements, such as FPIC, benefit-sharing requirements outlined in the ES Procedure, and dialogue processes required under the FSC Remedy Framework. Local FSC teams and the Indigenous Foundation can play a central role in delivering this support.
- **Co-creating specific policy solutions** that recognize and verify the positive impact of IPs, TPs, and LCs on ES, in alignment with Motion 53/2021 'Incorporate the recognition of cultural services and practices into ES to strengthen and endure over time the interconnection of Indigenous Peoples'.

Output 2.4 Certificate holders have increased access to finance for responsible forest management practices that contribute to climate and biodiversity objectives

Climate and biodiversity finance markets present a significant opportunity to mobilize capital for RFM, including conservation and restoration.

To facilitate FSC certificate holders to access and benefit from these markets, FSC will:

- **Engage with financial institutions** to position FSC in the financial sector, integrating FSC solutions as tools for risk management and resilience into financing and investment decision-making, and facilitating access to capital for certificate holders along the supply chain;
- **Provide evidence of impact on climate mitigation, and adaptation, conservation, and restoration**: by generating and sharing credible evidence on the environmental and social benefits of Forest Management Certification and Verified Impact; by building robust financial feasibility cases, financing certification can become more attractive to investors and financial institutions;
- **Expand FSC's sustainable finance network** beyond the current regions to mobilize capital and scale RFM initiatives.

FSC International, together with FSC Investments and Partnerships and local FSC teams, are well positioned to deliver on this output.

Output 2.5 Improved monitoring mechanisms and data availability to build trust and demonstrate the impact of FSC solutions on climate and biodiversity

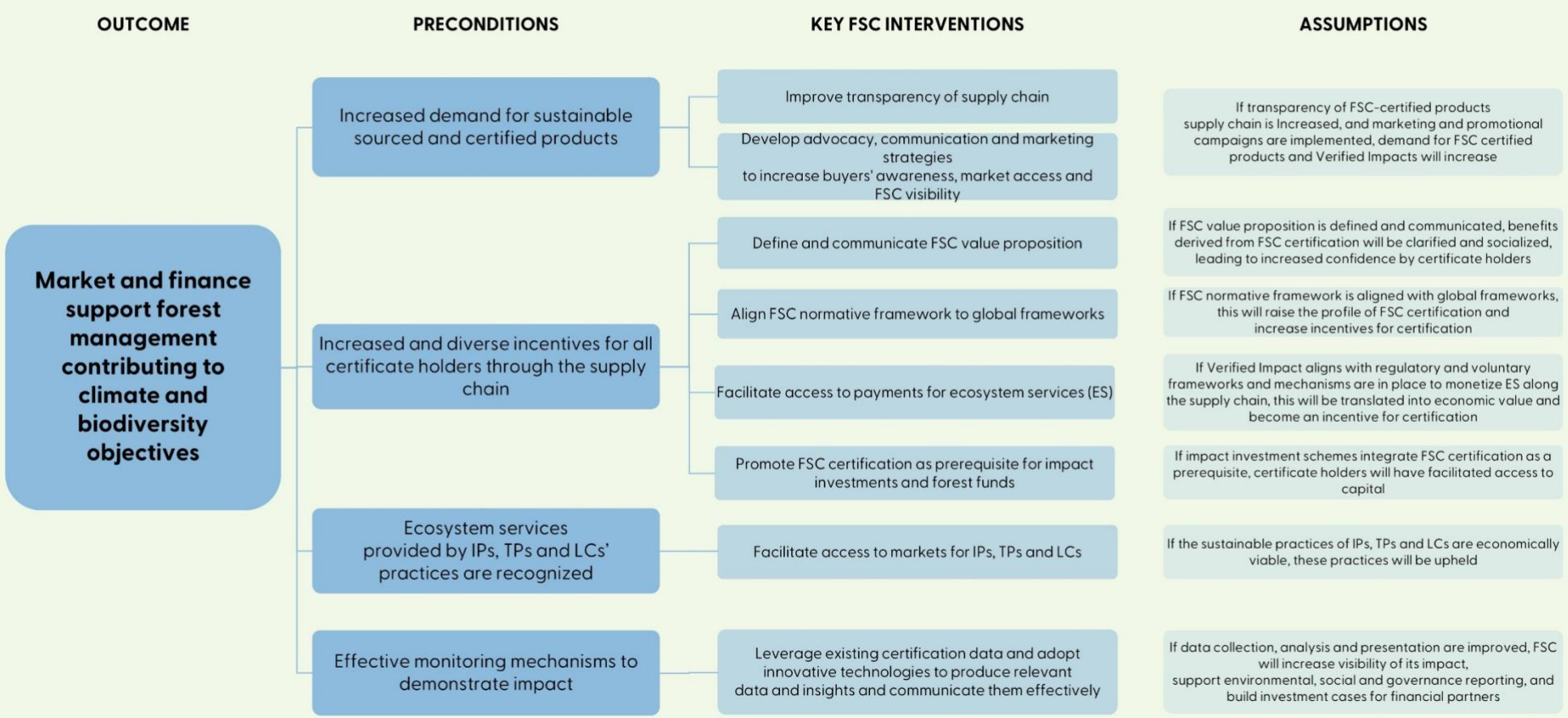
FSC aims to acquire and leverage data assets to improve monitoring and tracking of its impacts on climate and biodiversity. Coupled with the data and information gathered as part of Forest Management Certification (see output 1.6), FSC can use data and advanced analytics to demonstrate impact that increases the value and credibility of FSC certification.

Data are a key enabler for climate and biodiversity finance. Positioning FSC as a trusted partner in sustainable finance will enable and scale investments that support responsible forestry and livelihoods – especially for smallholders, women, IPs, TPs, and LCs – in alignment with Motion 38/2025 'Strengthen market development for communities and smallholders in tropical countries'.

FSC will deliver on this output by **improving data collection, analysis, and management and ensuring that insights are adequately communicated.** This will result in greater visibility of FSC's impact for the wider public and the buyer ecosystem. FSC will do this by:

- Continuing to explore possible ways to extract and analyse data of FSC-certified forests on climate and biodiversity from existing sources (e.g. audit reports or certificate holder data sets in collaboration with certificate holders and subject to their agreement), to generate meaningful insights;
- **Gathering data about the spatial boundaries of FSC-certified management units**. FSC International will provide certificate holders with both a technical and a policy solution to facilitate the identification and submission of these boundaries;
- **Exploring the use of remote sensing, earth observation models, and analytics/AI tools.** These models can provide up-to-date and historical data about FSC-certified forests to calculate and monitor the impact on forest carbon stocks, forest structure, deforestation, restoration, etc;
- **Producing more user-friendly reports**, **dashboards, and geospatial visualization** to ensure that climate and biodiversity impacts in certified forests are translated into increased market and finance access;
- **Facilitating implementation of business sustainability strategies and Environmental, Social, and Governance** (**ESG) reporting** by supporting the acquisition and collection of relevant data, such as through Verified Impact, for use in mandatory or voluntary non-financial sustainability disclosures;
- **Engaging private investors** by identifying the data needed to access private funding and ensuring that **relevant data** demonstrating impacts on climate and biodiversity are collected and made available.

Theory of Change for Strategic Priority 2: Leverage markets and finance to incentivize forest management practices that contribute to global climate and biodiversity goals



Strategic Priority 3: Advance policies and partnerships to promote forests as climate and biodiversity solutions

The third priority area covers FSC's role in policy engagement and strategic partnerships to promote healthy and resilient forests as climate and biodiversity solutions.

To fully unlock the potential of forests in addressing climate change and biodiversity loss, policies at the global, national, and local levels must explicitly recognize and support RFM. International and multilateral organizations and frameworks, national governments, and NGO coalitions establish frameworks and policies that can facilitate the uptake of climate and biodiversity solutions and maximize the impact of forests. These frameworks influence practices including deforestation, restoration, and the sustainable use of forest resources. Policies can also regulate how IPs, TPs, and LCs are involved in decision-making, how their rights are protected, and how their traditional knowledge and practices are promoted.

To progress towards the vision of this Strategic Framework, FSC will contribute to achievement of the following outcome:

Outcome 3. Policies and partnerships advance the uptake and scaling of forest management practices that contribute to climate and biodiversity objectives

FSC will contribute to this outcome by promoting and supporting national and international policies and partnerships that value forests and RFM for supporting climate and biodiversity goals. The role of FSC certification, its multi-stakeholder platforms, and its potential to systematize knowledge on the impact of RFM on climate and biodiversity will be shared with policy-makers. At the same time, working closely with governments and like-minded organizations, FSC will both enhance and benefit from the work of others. This approach is expected to translate into a more enabling policy environment, promoting forest management for climate and biodiversity in line with FSC's standards, upholding the rights of IPs, TPs, and LCs, and recognizing FSC certification as a criterion for assigning grants.

FSC will build on its expertise and established and potential partnerships to deliver on the following outputs:

Output 3.1 Relevant international and national institutions have increased evidence to recognize responsible forest management and FSC certification in their climate and biodiversity policies and regulatory frameworks.

FSC will actively engage in national and international processes and fora to share its knowledge and evidence on RFM and will advocate for the rights and livelihoods of IPs, TPs, and LCs, who play a key role in climate and biodiversity.

By doing so, FSC can help shape policies that support responsible forestry and amplify the role of certification in achieving global climate and biodiversity goals. This includes:

- **Reviewing national and international laws and regulations** to assess how key policies reflect climate and biodiversity goals and to promote Forest Management Certification and Verified Impact as a contribution to compliance;
- **Advocating for the recognition of forests and FSC certification** in National Biodiversity Strategies and Action Plans (NBSAPs), Nationally Determined Contributions (NDCs) to the Paris Agreement, National Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) Strategies, Sustainable Development Goals (SDGs), and the GBF;
- **Advocating for the adoption of RFM in regulatory and policy frameworks** at national and international level – including in the application of the Global Goal on Adaptation monitoring framework – through communication and engagement strategies, including active participation in global fora;

- **Providing technical and policy solutions to support certificate holders' compliance with national and international regulations,** as exemplified by FSC Trace and the Regulatory Module;
- **Scaling up engagement** with forestry administrations, United Nations Framework Convention on Climate Change (UNFCCC) and Convention on Biological Diversity (CBD) focal points, particularly in developing countries, and strengthening FSC's presence and proactive advocacy in the Conferences of the Parties (COPs) and negotiations under both the UNFCCC and the CBD;
- **Facilitating the participation of IPs, TPs, and LCs in national and international processes** to shape forest-related policies and showcase their conservation practices.

This will be achieved by fostering partnerships and global and regional multi-stakeholder coalitions.

Output 3.2 Public and private institutions providing grant finance have increased evidence and awareness to support responsible forest management and FSC certification, including restoration

This framework assumes that FSC certification can be recognized as an eligible criterion within funding initiatives focused on climate and biodiversity, including forest restoration. To achieve this output, FSC will **establish and/or strengthen partnerships** with global climate funds to increase financial flows into the implementation of FSC solutions, especially for smallholders, IPs, TPs, and LCs. FSC will do this by:

- **Monitoring the existing portfolios of relevant funds** for specific references to FSC or to certification more broadly, in order to identify opportunities for involvement;
- Exploring participation in the **development of proposals by FSC members** to incorporate FSC activities, such as the development of FSC Forest Stewardship Standards;
- **Raising awareness** of the potential for FSC certification to strengthen the ability of relevant public and private sector funds to monitor and verify social and environmental safeguards;
- Facilitating integration of climate and biodiversity considerations into decisions on the **location of restoration projects.**

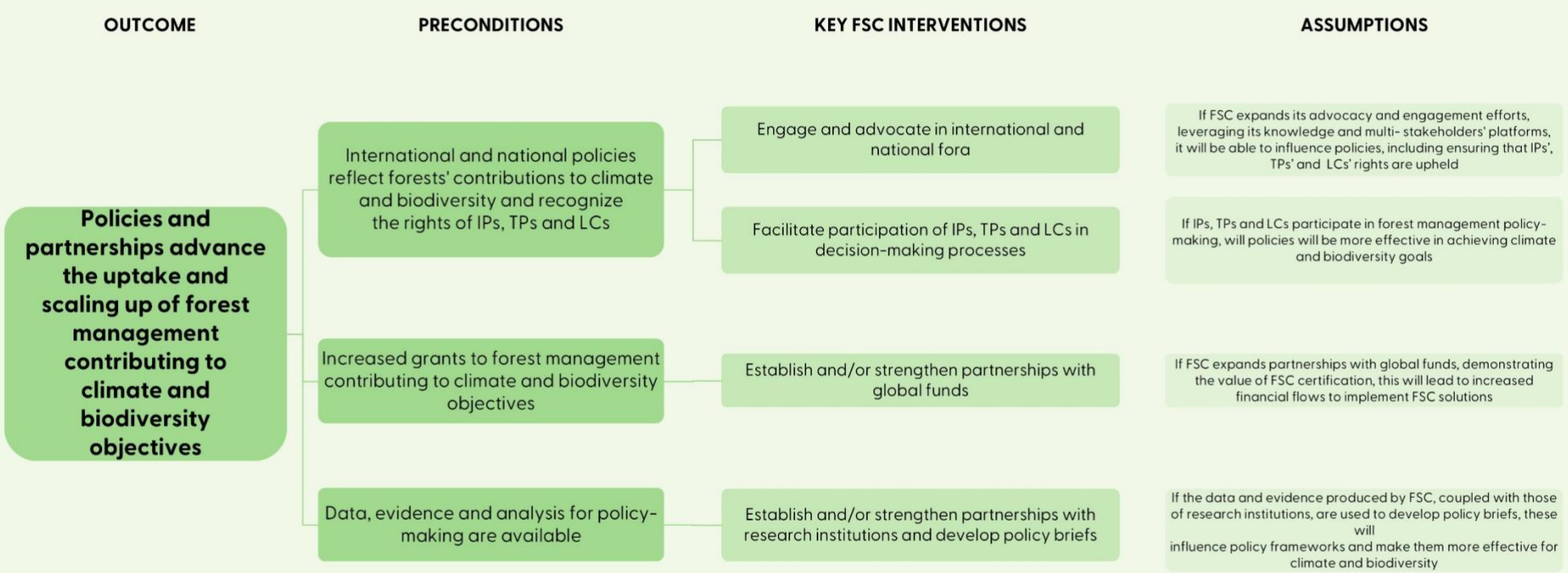
Output 3.3 Data, evidence, and analysis for policy-making are available

Building on data from Forest Management Certification (output 1.6) and additional datasets used to demonstrate the impact of FSC certification (output 2.5), FSC can leverage the evidence-based credibility of its certification system to influence policy.

To strengthen its policy influence and promote evidence-based decision-making, FSC will actively **partner with research institutions** to facilitate data exchange and expand the scope and depth of datasets related to forest management, climate, and biodiversity.

By combining FSC-collected data with external sources, the organization can generate robust insights into the impacts of RFM. These insights can be synthesized into targeted **policy briefs** that highlight the role of FSC certification and the critical contributions of IPs, TPs, and LCs to climate and biodiversity through forest management practices, including restoration.

Theory of Change for Strategic Priority 3:
Advance policies and partnerships to promote forests as climate and biodiversity solutions



4. Implementation Plan

The FSC Board of Directors will be responsible for overseeing the implementation of this Strategic Framework and its implementation plans, annual priorities, and corresponding budget.

Accountability to the membership will be ensured through annual progress reporting by the Secretariat and the Board against measurable indicators developed for the intended outcomes and outputs of the Strategic Framework.

Once the FSC Global Strategy 2027–2032 is developed and approved, implementation of this Strategic Framework will be integrated into the approach and mechanisms established for delivering the Global Strategy. These strategic plans will be operationalized through integrated workplans designed to guide teams in planning and delivering results aligned with the organization's strategic objectives.

Annex 1. Methodology for the development of FSC's Climate and Biodiversity Strategic Framework 2026–2032

The development of the Climate and Biodiversity Strategic Framework followed a structured, inclusive, and iterative process to ensure it is evidence-based, aligned with stakeholder priorities, and shaped by collective input.

The methodology involved the following steps:

- The process began with a comprehensive desk review by experts on climate and conservation, including an analysis of relevant papers and documents developed in previous years. This helped establish a foundation of institutional knowledge and context.
- The experts conducted over 70 interviews with a diverse range of stakeholders, including the Board of Directors, the Permanent Indigenous Peoples Committee, FSC staff, members and other organizations. These interviews provided critical insights into current needs, priorities, and expectations.
- Draft materials were reviewed internally by relevant teams working on climate and biodiversity issues to ensure alignment with operational realities.
- A dedicated workshop with the Board of Directors was held during the Board Meeting 101.
- A specialized review of the Results Framework (RF) was conducted in collaboration with a results-based expert, helping to strengthen the logic and coherence of the framework.
- A one-day workshop was held with internal teams to refine and validate the Results Framework.
- Two focused workshops were conducted with the Permanent Indigenous Peoples Committee to gather targeted feedback.
- The updated draft was shared with internal teams for additional comments and refinements.
- A draft was presented at the Board Meeting 102.
- A 34-day consultation period, including workshops, was held with FSC members and FSC staff to gather feedback on the strategic direction and implementation, validate assumptions, and directly contribute to shaping the next version of the draft.
- One-to-one discussions with relevant FSC international teams were held in September.
- A revised version of the draft was shared with the Board Strategic Planning Committee (BSPC) for review.
- A side event to discuss key issues and collect additional insights was held at the General Assembly in October, as well as a prioritization exercise at the Open House.
- Draft materials were reviewed internally by relevant teams working on climate and biodiversity issues to ensure alignment with operational realities.
- After incorporation of the feedback into a revised version of the draft, the Strategic Framework was presented to the Board of Directors for decision at the Board Meeting 104.

This iterative and participatory approach ensured that the Strategic Framework is robust and reflects diverse perspectives.

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