

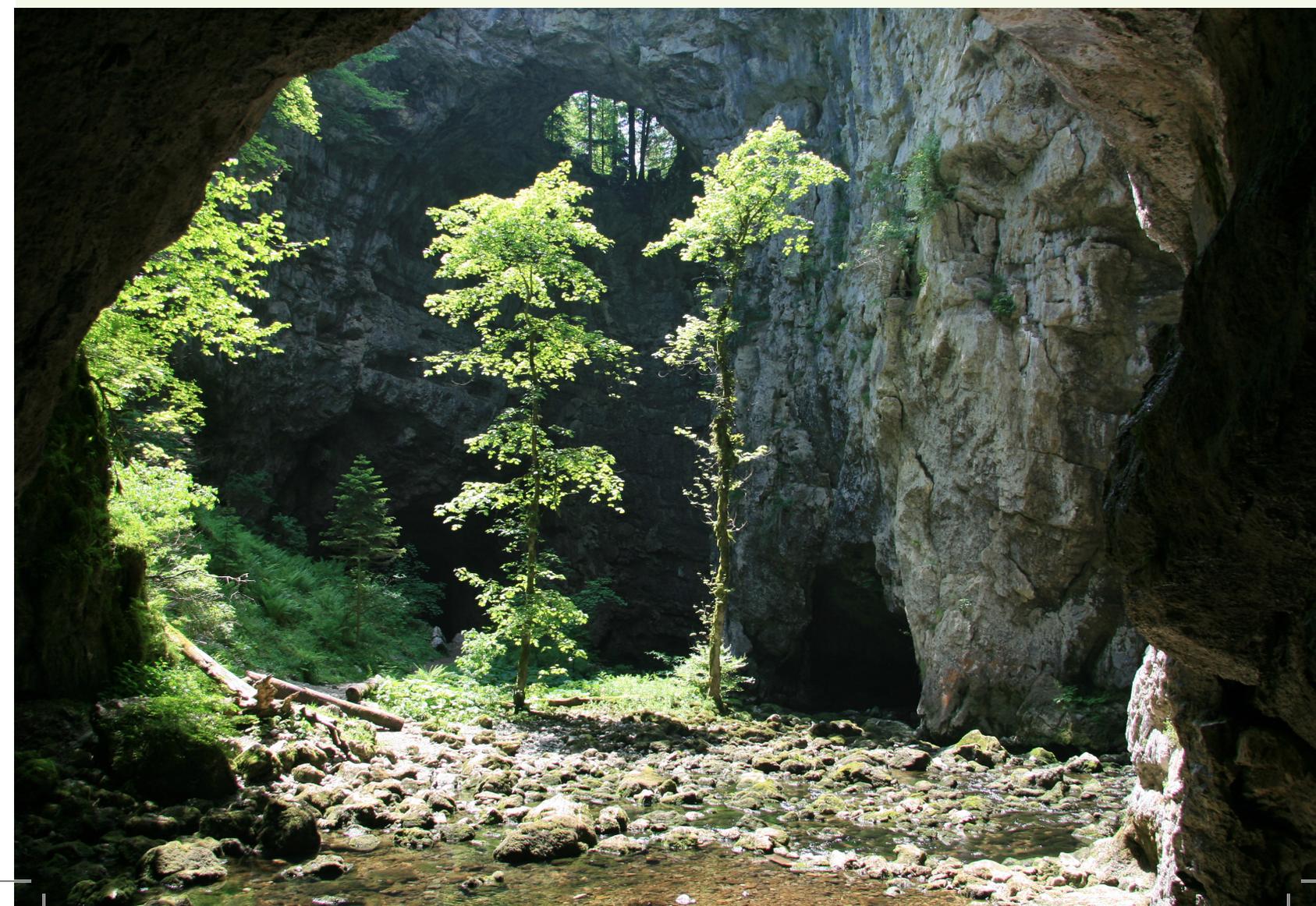


GLOBAL CLIENT SURVEY REPORT



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GLOBAL CLIENT SURVEY 2022

Nurturing responsible forestry so forests and people can thrive

FSC depends on a healthy ecosystem of stakeholders, including forest managers, smallholders, companies, non-governmental organizations, members, and others. Within this complex stakeholder ecosystem, FSC's certificate and licence holders play a crucial role as they are in the center of the operations.

As an international, Non-Governmental Organization (NGO) working to promote responsible forest management, FSC is trusted by businesses, consumers, and other NGOs to help protect healthy, resilient forests for all, forever. A multitude of components within the FSC framework support the organization's mission and vision.

To ensure that these complex relations and solutions maintain a healthy environment, FSC carries out the Global Client Survey every two years. The survey aims to understand the main benefits and perceived importance of belonging to the FSC system, measure the levels of satisfaction and intentions of certificate and licence renewal, and identify areas for improvement to guide the future of the system. The results of the survey conducted in 2022, and its respective analysis, can be found in this report.

FSC's forest certification standards are the foundation of the FSC system, ensuring that forest management is environmentally appropriate, socially beneficial, and economically viable; guided by a vision of a world where the true value of forests is recognized by all. By connecting markets to sustainable forestry, FSC's certification and licencing solutions are an important means to achieve its mission. They put forests and people first by supporting zero deforestation, biodiversity preservation, fair wages

and work environments, and the rights of Indigenous Peoples.

Forest management (FM) certification ensures that a forest area is managed in line with the FSC Principles and Criteria.

Forest management/chain of custody (FM/CoC) certification applies to operations with FM certification that sell forest-based material as FSC certified. Also, this certification ensures that forest products come from a responsibly managed forest.

Chain of custody (CoC) certification applies to manufacturers, processors, and traders of FSC-certified forest materials. CoC certification verifies that FSC-certified material is identified or kept segregated from non-certified or non-controlled material throughout the production process of both finished and unfinished products. These FSC certificates are valid for five years.

Promotional Licence Agreement (PLA) is aimed at organizations, such as retailers and brand owners; it grants them the right to use the FSC trademarks to promote the FSC-certified products they use or sell, in a variety of promotional materials.

In order to remain the world's most trusted sustainable forest management solution, the results of this survey are useful measurements of what FSC does well and where it can improve.

FSC thanks its certificate and promotional licence holders for helping make its mission a reality.

FSC CHAIN OF CUSTODY



Forest Management Certification

Gold standard of responsible management of natural forests and plantations.

For forest operators



Chain of Custody (CoC) Certification

Confirms materials are sourced sustainably throughout the supply chain.

For companies



Promotional Licence

Leverage credible FSC trademarks for promotional purposes of FSC-certified product.

For non-certified retailers and brand-owners



FSC BY THE NUMBERS¹

215.7

MILLION HA
OF CERTIFIED
FORESTS

1700+

FOREST MANAGEMENT/
COC CERTIFICATES IN
82 COUNTRIES/AREAS

52 604+

CHAIN OF CUSTODY
(COC) CERTIFICATES IN 137
COUNTRIES/AREAS

1690

PROMOTIONAL LICENCE
AGREEMENTS IN 66
COUNTRIES/AREAS

¹ Note: The figures in this report have been generated using data from the FSC Certification Database as of October 1st, 2022.

METHODOLOGY



Survey

The research was carried out by the independent, international management consulting company, Horváth & Partners, based in Germany. The method was an online survey administered from 22 February to 22 March 2022.



Target Audience and Response Rates

An invitation with a link to the survey was sent to all FSC forest management (FM & FM/COC) certificate holders (n=2,116), chain of custody (CoC) certificate holders (n=51,394), and promotional licence holders (n=2,269) as of January 2022.

Promotional licence holders included both commercial and non-commercial clients that hold a promotional licence with FSC.

Response rates were 21 per cent for FM certificate holders (n=448), 17 per cent for CoC holders (n=8,527) and 14 per cent (n=323) for promotional licence holders. In total, approximately 17 per cent of FSC certificate and promotional licence holders participated, with 9,298 respondents out of 55,779 successfully completing the survey.



Languages

The survey was conducted in 20 languages.



Profile of Respondents

Approximately 92 per cent of respondents were CoC certificate holders, 5 per cent FM/CoC certificate holders, and 3 per cent promotional licence holders.

Based on the responses, 34 per cent of certificate holders at the time of the survey were small-sized companies, 57 per cent were medium companies, and 4 per cent large companies, with 5 per cent reported as not specified.

Promotional licence holders are primarily involved in the supply chain's consumer end, and include retailers, holding companies, FSC members, NGOs, and investment companies, all of which want to promote their FSC-certified products. Almost 60 per cent of the respondents were retailers, traders, importers, or resellers. Other relevant sectors were consulting or training, food and beverages, publishing, print, design, and non-profit organizations, which comprised almost a third of the respondents.

Responses were obtained from certificate and promotional licence holders from all regions, with Europe being the most engaged, composing 48 per cent of the total responses, followed by Asia-Pacific and Latin America with 36 and 6 per cent, respectively. The rest of the regions represented 10 per cent of the total number of surveys answered.



Data Protection

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



EXECUTIVE SUMMARY

FSC importance is rising

The most valuable benefit perceived by FM certificate holders is the certification's role on the protection of forest ecosystems, as indicated by the 49 per cent of respondents. For CoC certification, the most valuable benefit is its role on the prevention of deforestation and forest degradation, according to 46 per cent of surveyed certificate holders.

In the case of promotional licence holders, nearly 90 per cent of respondents believe that the FSC promotional licence will help them build their brand image and sustainability credentials.

Additionally, more than two-thirds of certificate and licence holders surveyed believe that the importance of FSC certification and promotional licences will increase, to a greater or lesser extent, in the next two years.

High levels of satisfaction and renewal intentions

In general terms, the level of satisfaction of holders of FSC certificates and promotional licences is high. While in the case of CoC certificate holders, 78 per cent of respondents are "satisfied" or "very satisfied"; the level of satisfaction is 76 per cent among FM certificate holders, while for FSC promotional licence holders, it is 70 per cent.

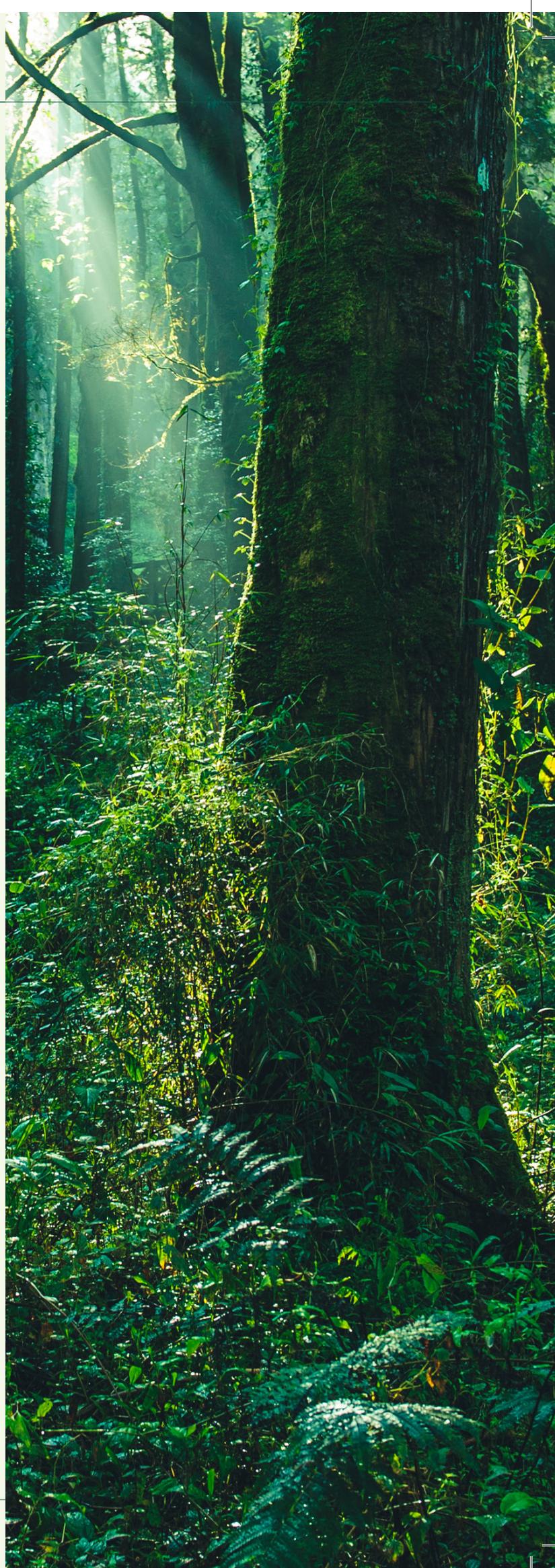
More than 85 per cent of FM and CoC certificate holders state that they intend to renew their certification, while 78 per cent of FSC promotional licence holders declare that they will renew for another term.

Improvement opportunities

The most relevant topics in which FM and CoC certificate holders see opportunities for improvement include raising awareness among FSC stakeholders about the value of sustainable forest management, its mission, and its main actions to combat climate change. Another topic FM and CoC certificate holders seek priority for, is reducing certification costs.

For promotional licence holders, promoting both the value of sustainable forest management, and awareness of FSC's mission and activities should be the main priority area, making up more than 60 per cent of responses obtained.

The feedback received from certificate and promotional licence holders is valuable and helpful to FSC moving forward. As such, FSC actively considers the provided input and consistently implements relevant learnings going forward.

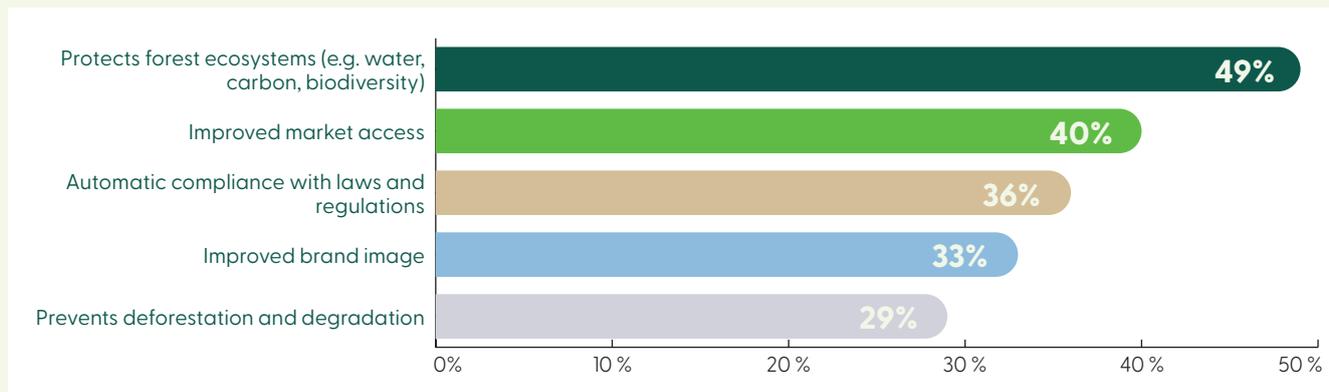


FM CERTIFICATE HOLDERS



Benefits and importance of FSC

Q: What benefits of FSC certification are most valuable to you?

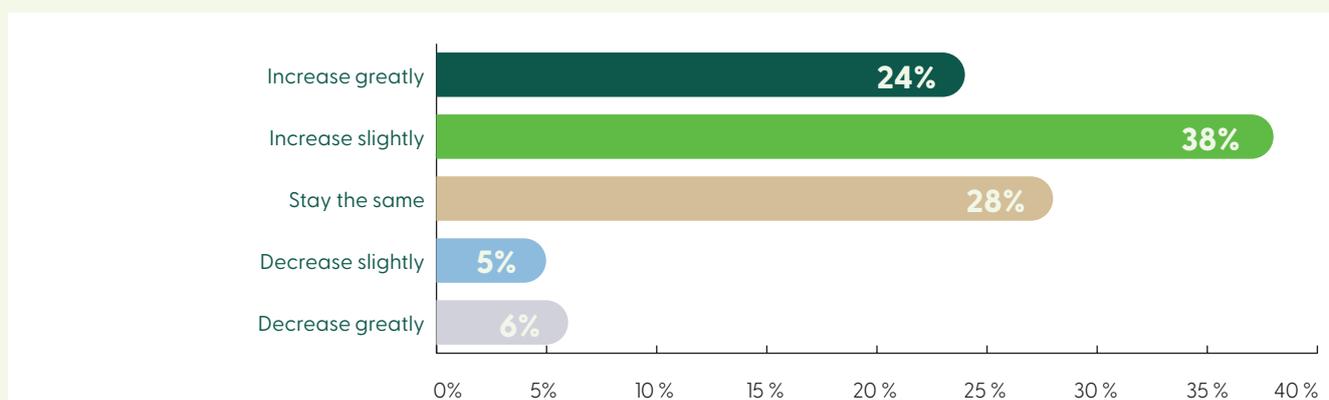


The biggest benefit of FSC certification, according to nearly half of the responding certificate holders, is its contribution to protecting forest ecosystems.

The second main perceived benefit of FSC certification, according to 40 per cent of respondents, is improved market access.

Other relevant benefits perceived by certificate holders are “automatic compliance with laws and regulations”, “improved brand image”, and “prevents deforestation and degradation”, all perceived as valuable by about a third of surveyed forest managers.

Q: Looking forward, how do you see the importance of FSC certification changing in your sector in the next 2 years?



Approximately two-thirds of the certificate holders surveyed think that, in the next two years, the importance of FSC certification will increase in their sector.

On the other hand, 28 per cent of respondents perceive that the importance of FSC certification in their sector will stay the same in the next two years.

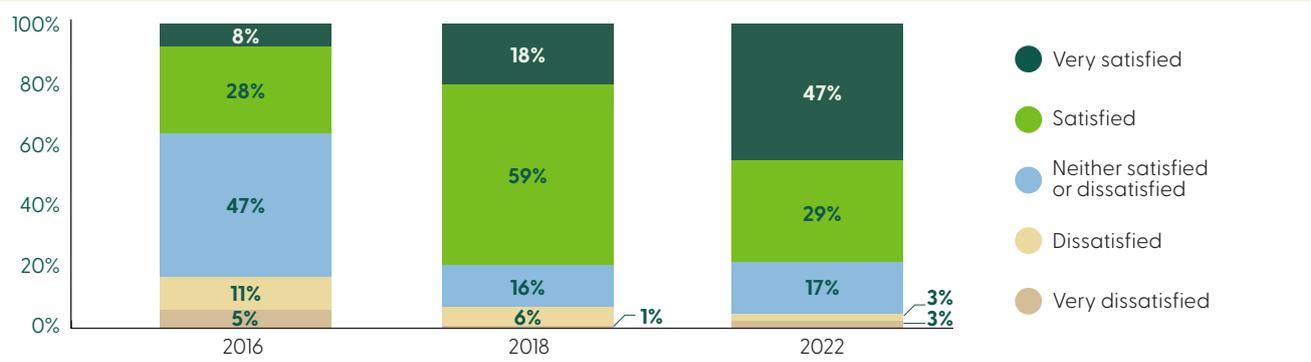
Finally, about 10 per cent of forest managers believe that the importance of FSC certification will decrease within the next two years in their respective sector.

FM CERTIFICATE HOLDERS



Satisfaction and renewal plans

Q: How satisfied are you with your FSC certification?



Overall, the level of satisfaction with FSC certification among forest managers is high.

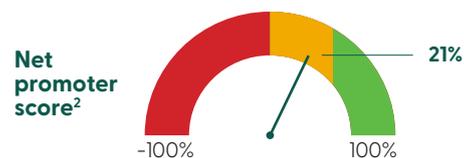
The survey found that 76 per cent of respondents were satisfied or very satisfied with their certification, and only 6 per cent were explicitly dissatisfied. A major shift could be seen in those who reported to be very satisfied, which was an increase of 29 percentage points over 2018.

Compared to previous surveys taken in 2016 and 2018, there was a sustained increase in the percentage of very satisfied certificate holders, reaching 47 per cent in 2022, while the percentage of generally satisfied respondents increased by 40 percentage points compared with 2016 and did not significantly change compared with 2018.

Q: How likely are you to recommend FSC certification to a friend?

Promoters	Indifferent	Critics
45%	31%	24%

% FM NPS = % Promoters - % Detractors = 45% - 24% = 21%



FM NPS = 21%

According to the responses collected among FM certificate holders, 45 per cent of respondents were identified as promoters, while 24 per cent were identified as critics, resulting in a positive net promoter score of 21 per cent, which is perceived as a very good result - there are more certificate holders willing to recommend FSC certification than those who are not.

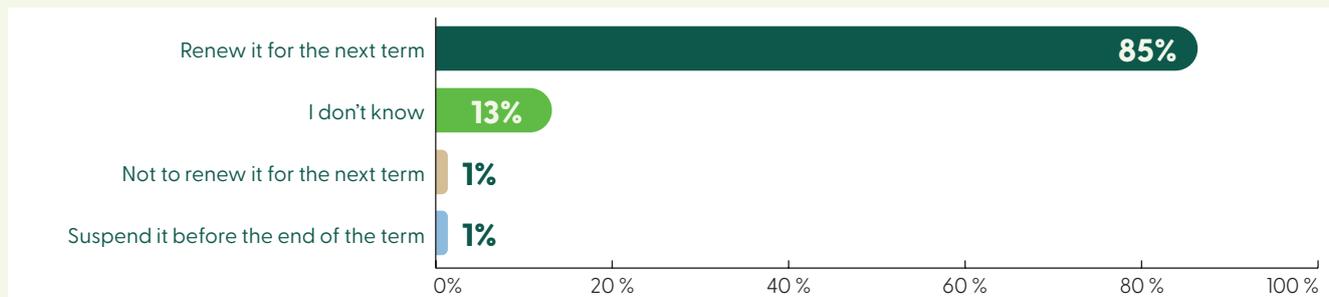
²Net Promoter Score (NPS) measures how likely respondents are to recommend a company, product, or service to friends or colleagues based on a single survey question (usually, how likely the respondent is to recommend a product or service). It is calculated as the difference between the percentage of respondents identified as promoters and the percentage of detractors. An NPS greater than 0% is perceived as good and an NPS of 50% is excellent.

FM CERTIFICATE HOLDERS



Satisfaction and renewal plans

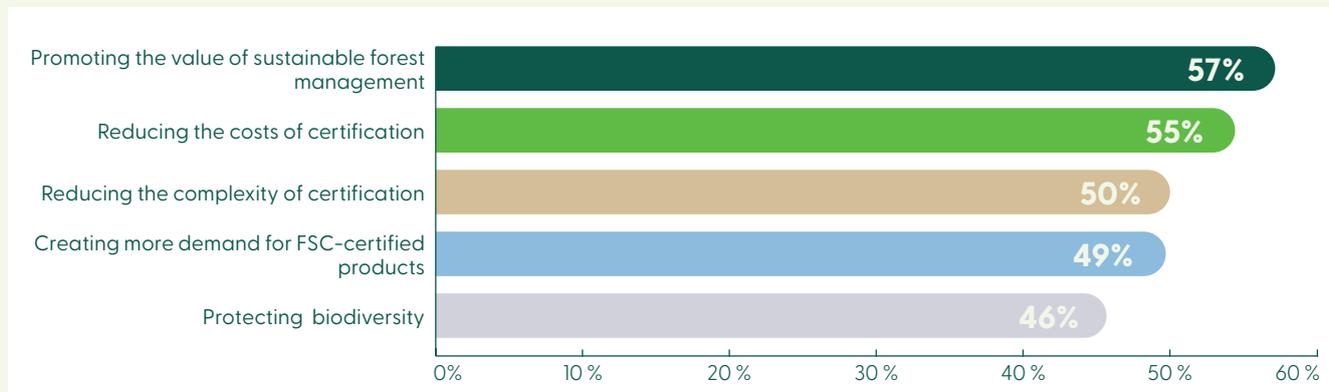
Q: What plans does your company have regarding its FSC certificate?



Among the forest managers surveyed, the majority intend to renew their FSC certification. 85 per cent of them report that they will renew for the next term, while only 2 per cent will not renew or suspend their certification. Since 2016, the percentage of respondents stating that they will renew their FSC certification for a new period has increased by 2 percentage points.

Looking forward

Q: What areas would you like FSC to work harder on or invest more in?



More than half of forest managers surveyed stated that the main area that FSC should focus on, is promoting the value of sustainable forest management and reducing the costs of certification.

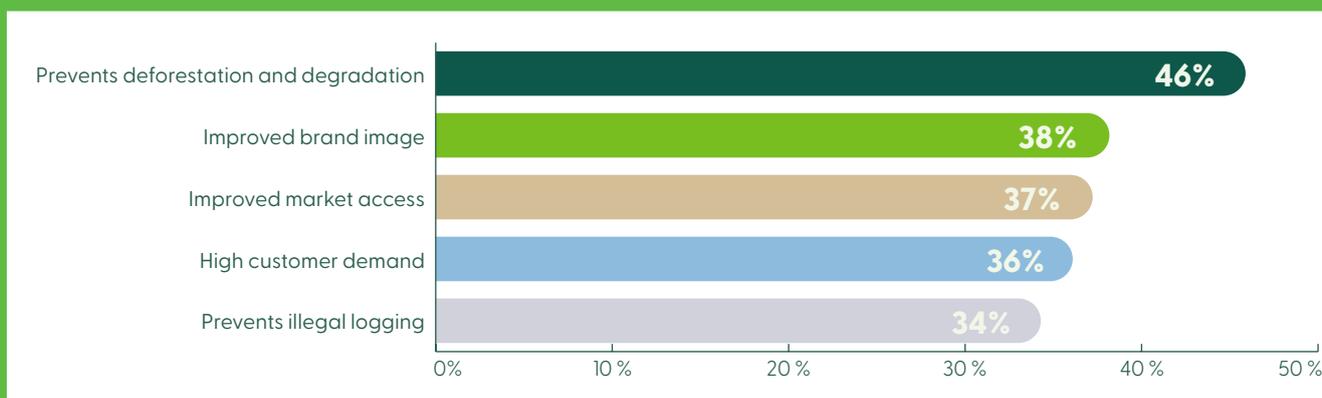
Other relevant areas of investment indicated by FM certificate holders were “reducing the complexity of certification”, “creating more demand for FSC-certified products”, and “protecting biodiversity”, all stated by more than 45 per cent of the total responses obtained.

COC CERTIFICATE HOLDERS



Benefits and importance of FSC

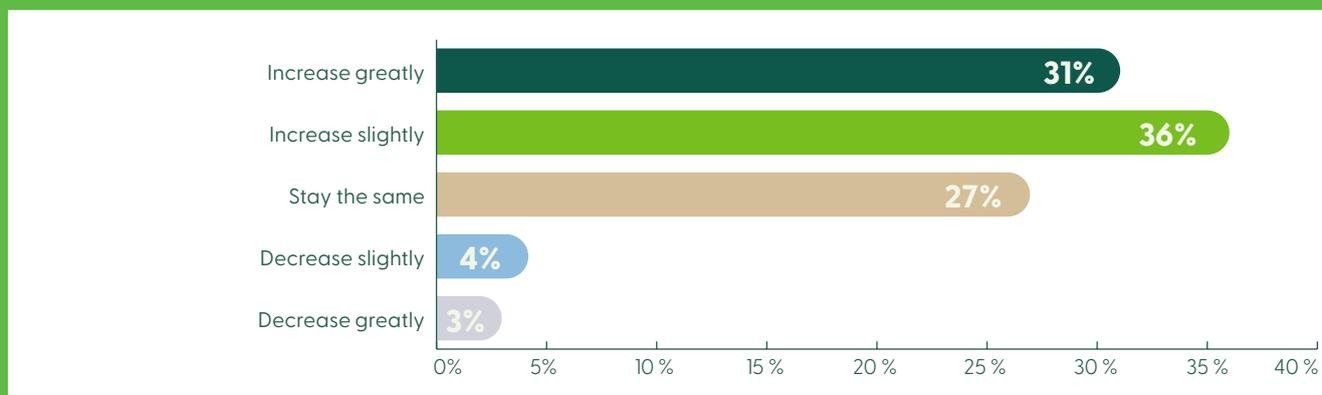
Q: What benefits of FSC certification are most valuable to you?



According to the certificate holders surveyed, the greatest perceived benefit of FSC certification is preventing deforestation and degradation, with 46 per cent of respondents.

In addition, market-relevant benefits were identified by CoC certificate holders, such as “improved brand image”, “improved market access”, and “higher customer demand”, all from just over a third of the respondents.

Q: Looking forward, how do you see the importance of FSC certification changing in your sector in the next 2 years?



Regarding the importance of FSC certification, approximately two-thirds of respondents expect it to grow in their sector over the next two years.

In contrast, 27 per cent of respondents think that the FSC certification’s importance will remain the same in their sector in the next two years.

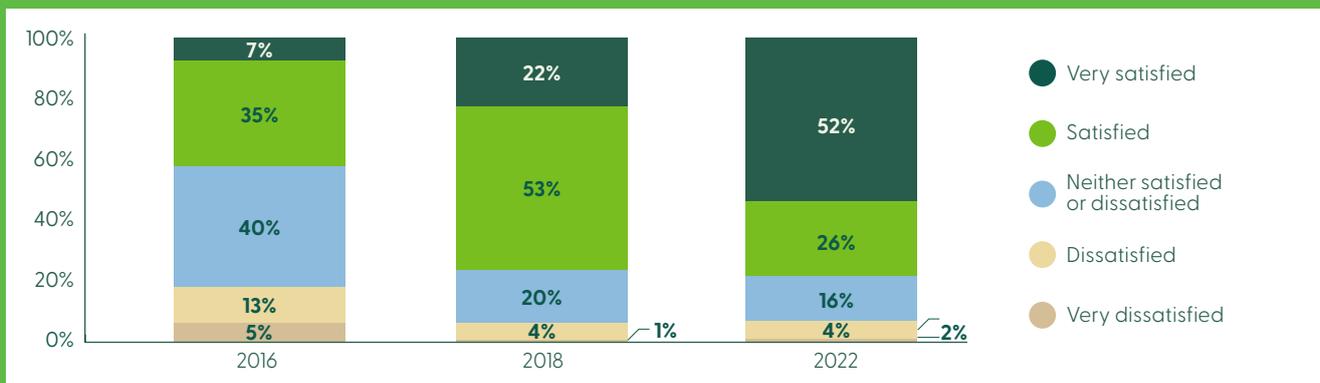
Finally, 7 per cent of certificate holders surveyed believe that the importance of FSC certification will decrease over the next two years in their sector.

COC CERTIFICATE HOLDERS



Satisfaction and renewal plans

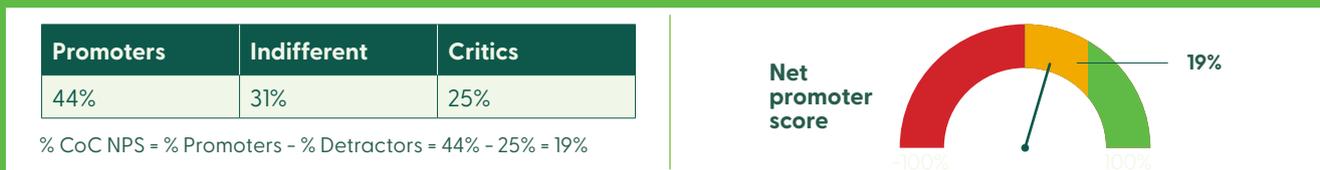
Q: How satisfied are you with your FSC certification?



There is a high level of satisfaction among CoC certificate holders. Nearly 80 per cent of the participants are either “satisfied” or “very satisfied” with their FSC certification, while only 6 per cent of respondents reported to be dissatisfied to some extent. Additionally, 16 per cent claimed to be neither satisfied nor dissatisfied. Like FM certificate holders, there is a sustained increase in CoC certificate holders who declare they are “very satisfied”, with an increase of 30 percentage points compared to 2018, and 45 compared to 2016.

Putting the results in perspective, overall satisfaction levels have increased significantly. There was a 36-percentage point increase in satisfied plus very satisfied respondents since 2016 survey, and a 3-point increase compared with 2018 results.

Q: How likely are you to recommend FSC certification to a friend?



CoC NPS = 19%

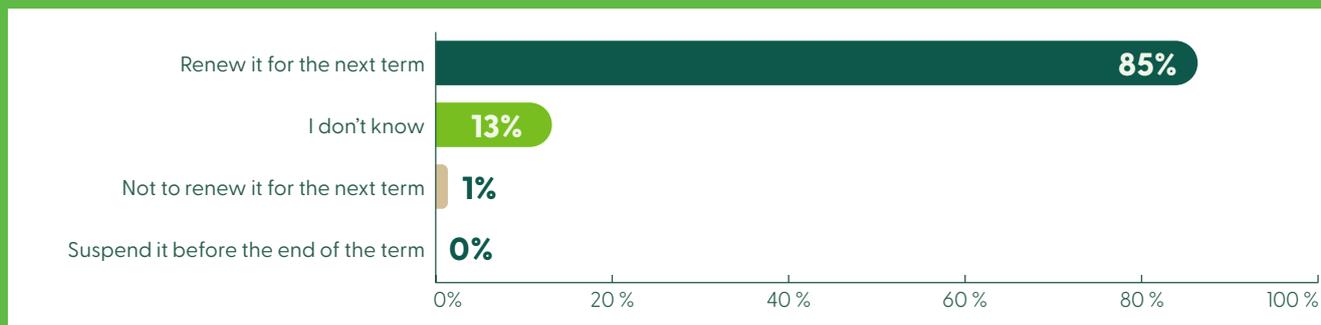
For CoC certificate holders, 44 per cent were identified as promoters and 25 per cent as critics, resulting in a positive net promoter score of 19 per cent.

COC CERTIFICATE HOLDERS



Satisfaction and renewal plans

Q: What plans does your company have regarding its FSC certificate?

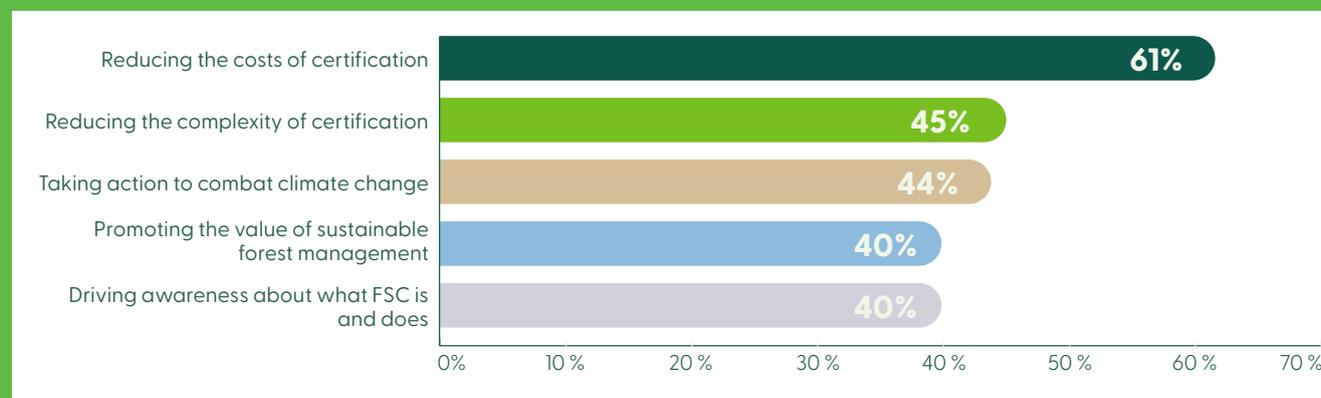


Renewal intention is also high among CoC certificate holders. 85 per cent indicate that they will renew for the next term, while only 1 per cent are not planning to extend their certification.

On the other hand, the percentage of certificate holders stating that they intend to renew their FSC certificate for a future period has not decreased significantly since 2016.

Looking forward

Q: What areas would you like FSC to work harder or invest more in?



For about 60 per cent of CoC certificate holders, the topic they seek higher priority for, is reducing certification costs. Related to this, another one of the most important topics is reducing the complexity of certification, with 45 per cent of responses.

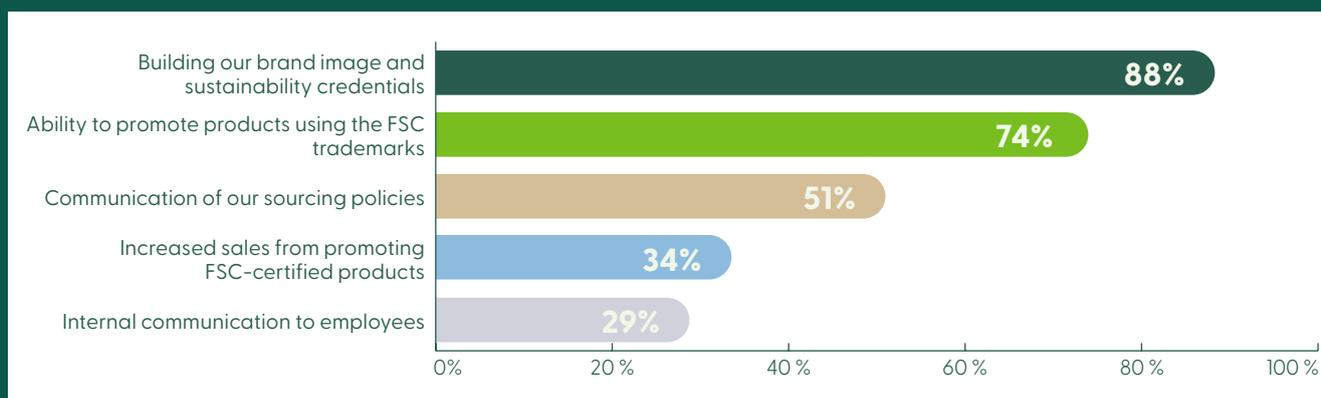
Other relevant topics for CoC certificate holders are “taking action to combat climate change”, “promoting the value of sustainable forest management” and “driving awareness about what FSC is and does”, all of which accounted for between 40 and 44 per cent of responses.

PROMOTIONAL LICENCE HOLDERS



Benefits and importance of FSC

Q: What benefits of FSC are most valuable to you?

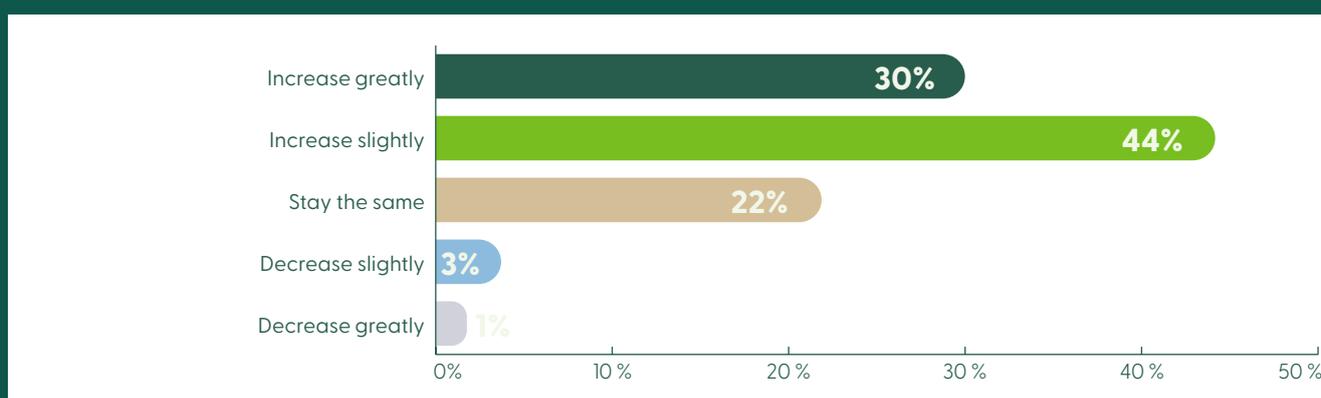


Among promotional licence holders, the main perceived benefit of the FSC promotional licence is building brand image and sustainability credentials, with 88 per cent of respondents citing this benefit.

Ability to promote products using the FSC trademarks is the second most important benefit, according to 74 per cent of respondents.

Other relevant benefits, according to the promotional licence holders surveyed, are “communication of our sourcing policies”, “increased sales from promoting FSC-certified products”, and “internal communication to employees”.

Q: Looking forward, how do you see the importance of FSC promotional licences changing in your sector in the next 2 years?



According to the vast majority of respondents, the importance of the FSC promotional licence is set to increase over the next two years, with 74 per cent expecting it to grow, either to a lesser or greater extent.

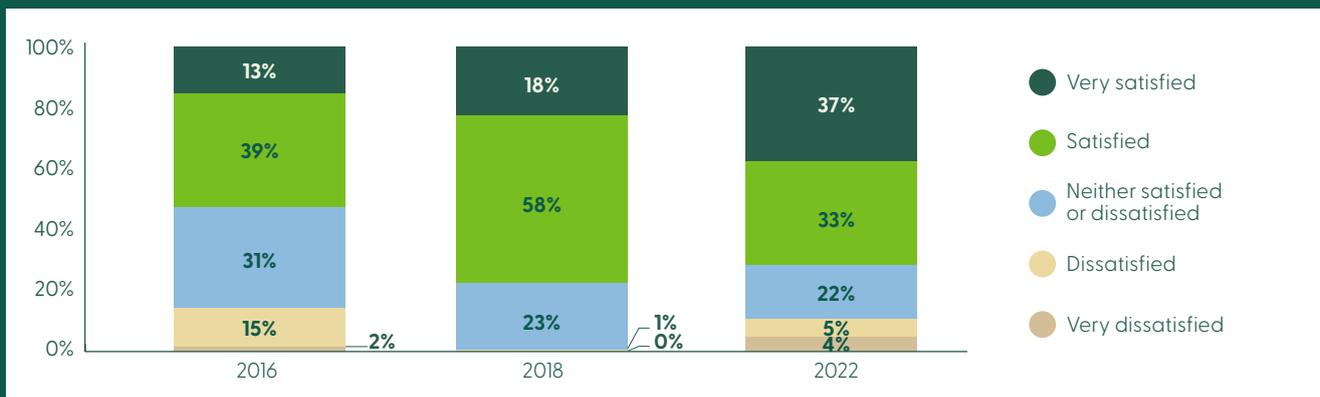
On the other hand, while 22 per cent of the surveyed licence holders believe that the importance of promotional licences will remain the same in the next two years, only 4 per cent think that the importance of these will decrease in their sectors.

PROMOTIONAL LICENCE HOLDERS



Satisfaction and renewal plans

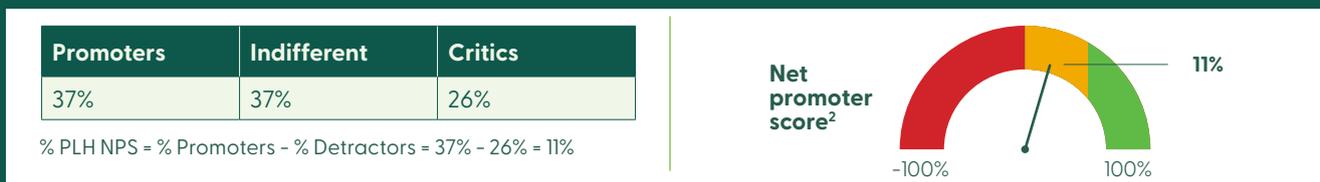
Q: How satisfied are you with the FSC promotional licence?



The respondents' level of satisfaction with the FSC promotional licence is high: 70 per cent are "satisfied" or "very satisfied", while only 9 per cent reported to be dissatisfied. On the other hand, the percentage of licence holders who declare to be neither satisfied nor dissatisfied is 22 per cent of the total number of respondents.

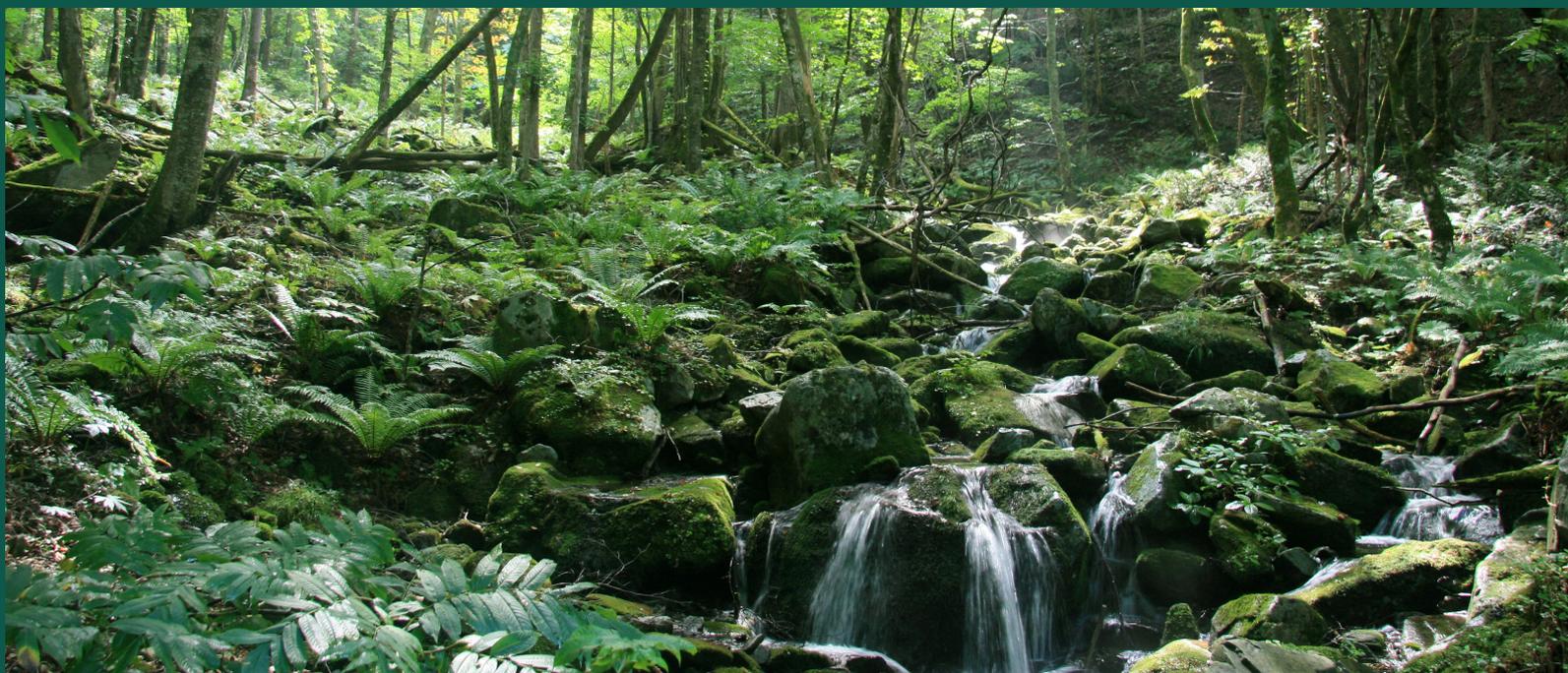
Compared to the 2016 and 2018 survey results, the percentage of very satisfied licence holders has increased steadily from 13 to 37 per cent, while the share of those satisfied plus very satisfied grew 24 percentage points in 2018 and slightly decreased in 2022.

Q: How likely are you to recommend the FSC promotional licence?



PLH NPS = 11%

According to the results of the survey for promotional licence holders, 37 per cent of promoters and 26 per cent of critics were identified, which results in a positive net promoter score of 11 per cent, also considered a good outcome.

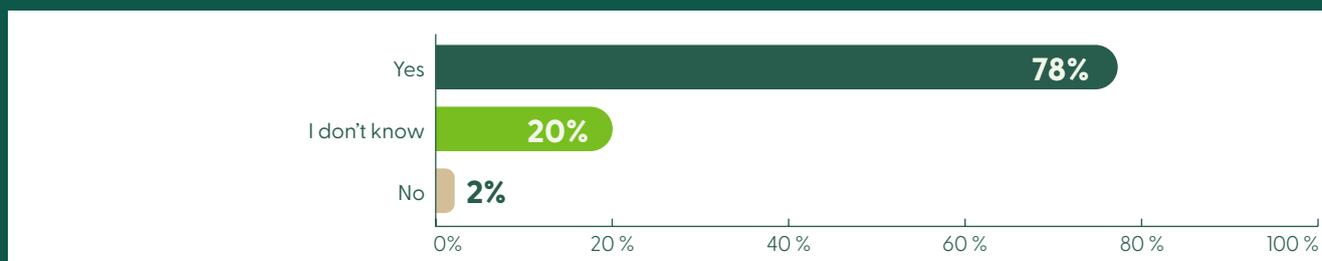


PROMOTIONAL LICENCE HOLDERS



Satisfaction and renewal plans

Q: Are you planning to renew your promotional licence for another term?

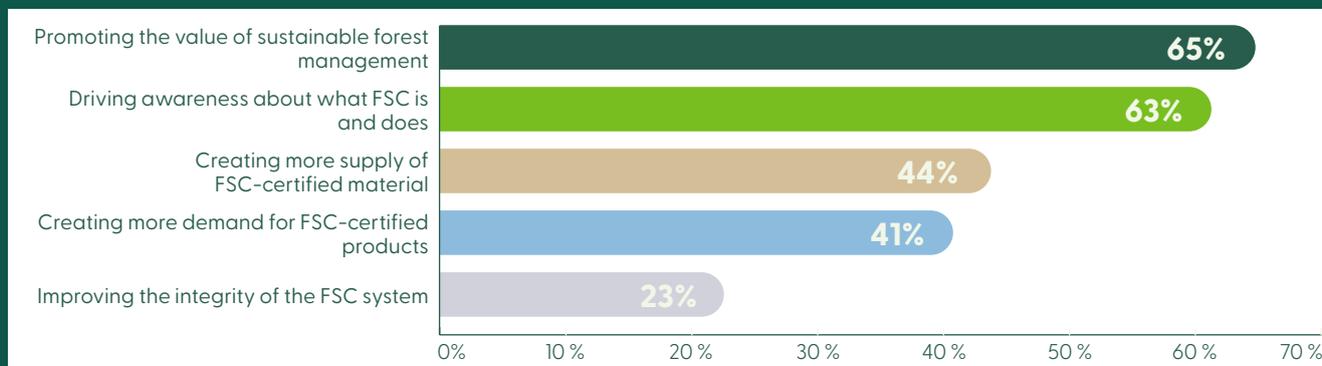


The renewal intention among promotional licence holders is high. While 78 per cent of those surveyed plan to extend their promotional licence for another period, only 2 per cent have no intention of extending it, and 20 per cent state that they have not yet decided to renew.

Since 2016, the percentage of respondents who intend to renew their promotional licence for another period decreased 6 percentage points, while those who do not plan to renew it have increased by 2 percentage points.

Looking forward

Q: What areas would you like FSC to work harder or invest more in?



For promotional licence holders, “promoting the value of sustainable forest management” and “driving the awareness about what FSC is and does” should be the priority topics, according to more than 60 per cent of responses obtained.

Additionally, other relevant topics for the respondents were the creation of greater supply and demand for FSC-certified material and products, as stated by more than the 40 per cent of respondents, and improving the integrity of the FSC system, as stated by 23 per cent.



TAKEAWAYS FOR THE FUTURE

Conclusions

According to the results of the survey, the main benefits perceived by FM and CoC certificate holders are related to the protection of ecosystems and the prevention of deforestation and degradation, making up 49 and 46 per cent of the responses respectively. They also highlight market benefits such as improvements of brand image and market access, according to more than one third of respondents. For FSC promotional licence holders, close to 90 per cent of respondents perceive the main benefit to be building brand image and sustainability credentials. In turn, all surveyed groups believe that the importance of FSC certification will increase in their sectors in the next two years.

Satisfaction levels are high for all types of FSC certificate and licence holders: 76 per cent of FM certificate holders report being “satisfied” or “very satisfied,” while for CoC certificate holders the result was 78 per cent and for promotional licence holders 67 per cent. Renewal intention is also high for all surveyed groups, at 85 per cent for FM and CoC certificate holders, and 78 per cent for promotional licence holders.

Looking forward, the main areas for improvement identified for certificate holders are related to raising

awareness among FSC stakeholders about the value of sustainable forest management, its mission, and its main actions to combat climate change, as well as reducing certification costs and complexity. For promotional licence holders, top priorities are related to promoting the value of sustainable forest management and increasing the awareness of FSC’s mission and activities.

Next Steps

Through this survey, certificate and promotional licence holders provide valuable insights to help FSC prioritize those initiatives that are most aligned with their areas of interest.

The feedback received from certificate and promotional licence holders is valuable and helpful in moving FSC forward. As such, FSC is actively considering the provided input and implementing initiatives that generate greater value for our stakeholders. Thanks to all survey respondents who support this journey by providing their feedback.

The next edition of the Global Client Survey will be conducted in 2024.





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