

Beyond the Forest: Social and Economic Impacts of **FSC-Certification in Brazil**

The increasing socio-environmental awareness of stakeholders has prompted companies to adopt sustainable practices and obtain certifications that demonstrate their commitment to sustainability. One such certification is the Forest Stewardship Council (FSC), which aims to promote responsible forest management by setting standards for environmental, social, and economic performance. This study investigates the economic and social benefits perceived by managers of FSC-certified companies in Brazil, exploring whether the duration of certification and the organizational size impact these benefits.

This study fills an important gap in the literature by quantitatively assessing the long-term benefits of FSC certification, particularly in Brazil. The results offer valuable insights for future research and practical applications for businesses seeking certification.



Scope and main objectives

- Scope: The study focuses on FSC-certified companies across various sectors in Brazil, including Pulp and Paper, Forestry, and Processed Wood.
- Main Objectives: To evaluate whether the duration of FSC certification and the size of the organization influence the perception of economic and social benefits. To provide insights that support the development of strategies aimed at accelerating the benefits derived from FSC certification, encouraging more companies to adopt it.
- Methodology: A quantitative survey was conducted with 54 Brazilian companies, from March to September 2022, using multivariate statistical analysis.



Conclusions

- The time since certification plays a critical role in realizing the full economic and social benefits of FSC certification, with significant improvements typically occurring after 10 to 15 years.
- Organizational size did not significantly affect the perception of benefits, contrary to expectations.
- The FSC certification process requires ongoing commitment and investment. Small companies, in particular, often struggle with the required adjustments.
- Companies must not abandon certification processes prematurely. Full benefits require time to materialize.
- Enhanced support from FSC and NGOs is crucial to help small companies achieve and maintain certification.
- There is a need for better strategies to expedite the realization of benefits for newly certified companies, especially those in developing countries like Brazil.
- More support for small companies, including financial and technical assistance, would be beneficial.

Future Research Directions:

- Longitudinal studies on certification Impact: Study the long-term benefits of FSC certification, focusing on economic and social impacts over extended periods, such as 15 years or more.
- Barriers for small companies: Investigate the challenges faced by small and medium-sized enterprises in maintaining FSC certification and explore effective support mechanisms, such as financial assistance and training programs.
- Regional disparities in Certification benefits: Explore how regional factors (especially in countries like Brazil) influence the perceived benefits of FSC certification and develop region-specific strategies for each area.
- Sustainability of FSC in developing economies: Study the sustainability of FSC certification in developing economies, investigating external factors, such as government policies and market demand, that can enhance the success of certification.

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Innovative approach

- Impact of Certification Duration on Benefits: Companies with 10+ years of FSC certification experience significantly higher economic and social benefits. After 15 years, benefits become even more pronounced, highlighting the importance of long-term commitment to FSC standards for maximizing impact.
- Economic Benefits:

FSC certification improves economic viability by increasing access to international markets and enabling price premiums. Companies also report higher productivity and lower operational costs, leading to greater sales growth both domestically and internationally, driven by consumer trust in sustainable products.

• Social Benefits:

FSC certification enhances a company's corporate image and builds trust with local communities and Indigenous groups. Companies reported stronger relationships and more meaningful community engagement through collaborative initiatives, showcasing the positive social impact of certification.

 Certification Time Over Organizational Size: The study found that certification duration has a stronger sizes reported similar benefits after 5 years of certification,

influence on benefits than organizational size. Companies of all indicating that sustained investment in FSC practices leads to significant outcomes, regardless of company size.









