



GLOBAL
FOREST
& TRADE
NETWORK

UNITED KINGDOM

GFTN-UK Annual Report

2009/2010

INTRODUCTION

Everything we do is connected. Lose a habitat and the animals it supports go too. Cut down a forest and the threat of climate change grows. Leave people in poverty and they may destroy the local habitat to survive.

Nearly a quarter of all mammals and a third of amphibians are threatened with extinction. A billion people don't have access to safe drinking water. Our natural world is in crisis.

But since 1961 WWF has fought to break these patterns of destruction and waste. And we still are. Helping to ensure people and nature can live harmoniously – and thrive.

How do we do all this? We're on the ground in the world's most important wild places, creating real solutions to real problems. Working with business to transform the market for sustainable forest goods is one such solution.

It's helping to reduce our impact on the world's natural forests. Together, we're making a positive difference.





LOOKING FORWARD

We rely on the world's forests for so many things. They are home to a huge diversity of species. They provide the food, shelter and fuel that are essential for the 1.2 billion people who live in extreme poverty around the world. They benefit our environment by regulating climate, water cycles and soil erosion.



David Nussbaum

And, of course, they provide the raw material that we rely on for a huge range of timber and paper products.

Greater awareness of the incredible value of forests is vital if we're to safeguard them for the future. So, too, is awareness among businesses and consumers of what they can do to support protection of forests.

One genuine solution is sourcing products with Forest Stewardship Council (FSC) certification. So it was encouraging to see that our research this year shows an increasing level of awareness about FSC in the UK. This suggests that more people understand the connection between their everyday actions – such as the timber products they choose – and the state of forests worldwide.

How should we continue to raise awareness of this connection? One way is to communicate the successes and challenges involved in the work undertaken by GFTN-UK participants. You'll find a number of examples of GFTN-UK members' success stories in this report.

And looking ahead, 2011 is the UN International Year of Forests. This will provide the GFTN-UK with a good opportunity to communicate to consumers that their choices can make a real difference.

In the past year, WWF's campaigning has helped drive another positive development for forests. At last, a ban on trading illegal timber will be made law in the EU. The challenges now are to reach larger segments of the market, support smaller businesses in meeting the regulation requirements, and provide consumers with confidence that sustainable management of forests is possible. And that their choices help protect forest resources for the future.

The businesses that participate in the GFTN-UK have considerable potential to ensure a sustainable future for forests. By embracing clear and consistent market signals for legal and credibly certified timber, this natural resource can be secured now and in the future for the benefit of all.



© JOHN MACKINNON / WFF-CANON

Giant panda climbing in a tree. Wolong Nature Reserve, Sichuan, China.

ACCELERATING COMMITMENTS

A doubling of our portfolio is required, and soon. This challenge was the upshot of this year's debate on the Global Forest and Trade Network (GFTN) global strategy for the next five years. It would require more of the world's vulnerable tropical forest to be managed under the

Forest Stewardship Council standards. We'd need more robust traceability in the supply chain from processors. And an increase in responsible trade.

For almost 20 years, GFTN-UK has worked with businesses in the UK to promote responsible sourcing of forest goods throughout the supply chain. The businesses that lead on this issue are intensifying their work to ensure that products meet their purchasing policy standards. This requires a business to look at the evidence of where forest goods have come from, take responsibility for appraising these sources and suppliers, and make decisions about purchases.

Working together in lobbying for change, WWF and GFTN-UK participants welcome new regulation to limit the trade in illegal forest goods in the EU market. For those businesses already acting responsibly, it should bring about a more level playing field as it becomes harder for cheaper, illegal goods to undercut the market. All GFTN-UK participants have work to do ahead of the regulation to either eliminate products where legality remains unclear from their supply chains, or maintain best practice to keep these types of goods out.

Many organisations are promoting the idea of creating forest legacies for future generations. Making this a reality will be tough: it still requires action to be taken in tropical forests which are being hit hard by deforestation. Committed businesses need to communicate their supply chain transformations to consumers. They must support research and field work to understand the benefits of sustainable forest management at the landscape level. And they must support an extension of conservation efforts.

Through the GFTN-UK, WWF and businesses are working together to make sure businesses and consumers in the UK have a positive impact on forests. If we can achieve this more transparently, and at a faster rate, there will be a major business benefit: greater consumer confidence that responsible business is the norm. Such an outcome would, of course, benefit forests too.



Julia Young

FOR ALMOST
20 YEARS
GFTN-UK HAS
WORKED WITH
BUSINESSES
IN THE UK

This year, I've had the chance to work on WWF's New Generation Plantation Project, I've joined High Conservation Value Assessment training in Malaysia, and I've visited forest production areas in Acre State, Brazil. In all three, I saw how critical it is that we provide support to prepare the way for sustainable forest management and for producers to come to the market with a sustainable proposition.

So let's continue to talk to many diverse audiences about what is happening to achieve this progress. It'll build momentum for a better future for forests. And for people who depend on them.



© ZIG KOCH / WWF

RESPONSIBLE FORESTRY AND TRADE

Every year, more than 12 million hectares of natural forest are destroyed to meet the growing global demand for wood and agricultural products. In the face of such devastation, GFTN believes the global marketplace should be transformed into a positive force to save the world's most valuable and threatened forests. Increasingly, consumers want to know where their wood comes from and to

be assured that today's forests will survive for their children and grandchildren.

12
MILLION
HECTARES OF
NATURAL FOREST
ARE DESTROYED
EVERY YEAR

The GFTN is a partnership led by WWF. It links more than 360 companies, communities, NGOs and entrepreneurs in more than 30 countries around the world. Its goal is to create a new market for environmentally responsible forest products. Since 1991, market-driven demands from GFTN participants have increased the economic incentives for people to manage forests responsibly. It's helping to ensure that millions of hectares of forests are independently and credibly certified. This provides a guarantee that the forests are well managed and that products come from legal and sustainable timber harvests.

30

Despite this solid progress, reliable supplies of credibly certified 'good wood' are still limited. And trade in wood and pulp from illegal or controversial sources is continuing.

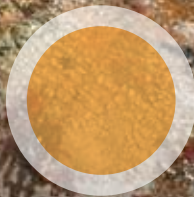


GFTN links more than 30 countries around the world.

A growing number of forest owners and managers, manufacturers of wood and paper products, retailers, distributors and investors support sustainable forest management. But there are complex obstacles to achieving this goal. A major problem is uncertainty about how to achieve 'good wood' certification and benefit from it.

The GFTN exists to support and facilitate greater coordination of national and regional efforts to expand responsible and credibly certified forest management. It offers technical assistance throughout the certification process and enhanced marketing opportunities.

GFTN participants strive to increase the availability of products from well managed forests. They help each other to benefit and profit from sustainable forest management. And they're committed to avoiding forest products from illegal and controversial sources.



360

GFTN WORKS WITH MORE
THAN 360 COMPANIES
AROUND THE WORLD

GFTN ACROSS THE GLOBE

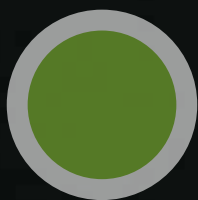
Located across 34 countries, GFTN engages with companies committed to responsible forest management and trade around the world.

QUICK STATS:



288

WORKS WITH 288
COMPANIES EMPLOYING
OVER 2.8 MILLION PEOPLE



42,749

GFTN PARTICIPANTS
SUPPORT 42,749 LOCAL
FAMILIES THROUGH
COMMUNITY FORESTRY
PROJECTS



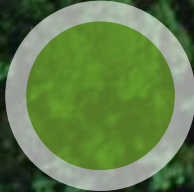
20.6 MILLION

HAS ACHIEVED 20.6 MILLION HECTARES OF CREDIBLY CERTIFIED FOREST AND FURTHER MANAGES 6.8 MILLION HECTARES IN PROGRESS TO CERTIFICATION



18%

REPRESENTS 18% OF EVERY FOREST PRODUCT BOUGHT OR SOLD INTERNATIONALLY EVERY YEAR, WITH COMBINED ANNUAL SALES OF US\$68 BILLION



205

ENGAGES IN 205 TRADE DEALS WITH OTHER GFTN PARTICIPANTS



16%

REPRESENTS 16% OF TIMBER AND FIBRE VOLUME TRADED INTERNATIONALLY

Source GFTN Factsheet July 2010
<http://gftn.panda.org/resources/factsheets/?150322/GFTN-Factsheet>



MEMBERSHIP LIST



Retail

Argos ltd 2009
 B&Q plc 1991
 Boots UK ltd 1992
 Co-operative Retail 1996
 Focus (DIY) ltd 1992
 Homebase ltd 1992
 J Sainsbury plc 1995
 Marks & Spencer Group plc 2004
 The Body Shop UK/ ROI 1996



Timber

Christina Meyer Sustainable
 Wood Products 2006
 Magnet ltd 1995
 Saint-Gobain Building
 Distribution ltd 1998
 Shadbolt International ltd 1992
 Travis Perkins plc 2003



Paper

BBC Worldwide ltd 1995
 Esmonde Publishing ltd
 Graduate Member 1996
 Kimberly-Clark Europe ltd 2007
 MBNA Europe Bank ltd 2004
 Office Depot (UK) ltd 1995
 Paperback Graduate Member 2000
 Pearson plc 2004
 Polestar UK Print ltd 2001
 Robert Horne Group ltd 2005
 Tetra Pak ltd 2007
 Pureprint Group 2001
 Williams Lea & Co ltd 2006



Construction

BAA plc 2001
 Bovis Lend Lease ltd 2000
 British Waterways 2002
 Carillion plc 1997
 Crest Nicholson plc 2008
 Network Rail Infrastructure ltd 1996
 Redrow Group plc 2003
 Royal Institute of British Architects 1995



Further Groups

Forest Enterprise Graduate Member 2001
 London Borough of Lambeth 2002
 Oxfam GB 2000

And you can find out more about participants here:

wwf.org.uk/what_we_do/safeguarding_the_natural_world/forests/responsible_forestry_and_trade/forest_trade_network/current_members/

FTN PARTICIPANT SUCCESSSES



“There’s no reason why kitchens can’t be both stylish and sustainable,” says John Rastall, kitchen buyer for Argos.

With this aim in mind, we set out to ensure that the wood products used in all our fitted kitchen ranges were from FSC-certified sources. The result was our FSC-certified ‘Hygena’ kitchens.

We selected five stylish fitted kitchen ranges (of which four are under the Hygena brand) for inclusion in the autumn/winter edition of the Argos catalogue. Our quality assurance and buying teams worked with our supplier to ensure there was robust evidence of chain of custody and of FSC certification for these products.

Our determination to source sustainable materials was backed by research this year which revealed that 62% of our customers were ‘quite concerned’ or ‘very concerned’ about the use of natural resources such as wood. Also, 68% said they didn’t have enough information on the environmental and social impacts of products to make informed choices about which products to buy.

Our policy is to stock only timber products sourced from verified known and legal sources, non-controversial forest sources, or made from recycled material. We view FSC as the most robust independently audited forestry certification scheme. What’s more, the FSC is recognised by our customers, so we aim to source from FSC certified forests wherever possible. We became a member of the GFTN-UK in late 2009.



Thanks to great commitment throughout our supply chain, B&Q is proud to report that all our tropical plywood has been announced as FSC. It all comes from community-owned and private forests in the Brazilian Amazon state of Acre.

Several important steps fell into place to make this possible. WWF-Brazil engaged on sustainable forest management in Acre over a five-year period with local community foresters, and helped set up a forestry cooperative. At the same time, Jandir Santin, owner of forest product group Triunfo, which manages forests and manufactures plywood in Acre, began producing FSC certified goods for the export market. The company began buying FSC certified timber from community forest producers to meet its production needs. Finnforest, working as suppliers, then made the link between these sources and B&Q, which sought the gold standard in forest sourcing for its goods to the UK market. B&Q wanted the FSC stamp of approval in a product group that has a reputation for coming from potentially high risk sources.

In July this year, we visited Acre to see logging operations and facilities in private and state forests. We saw training facilities for forest workers, and processing facilities for plywood and flooring. And we were taken to two community forest management areas: Antimary State Forest and Cachoeira Settlement Project.

The aim of the visit was to build our joint understanding of responsible forestry in this part of the Amazon. We wanted to learn where we could build on each other's strengths to drive change. And how to communicate the work that was going on in the supply chain back to customers, so that they could see how valuable these forest resources are, and how important their choice of goods for their homes is. To this end, we've also launched a campaign to help our consumers identify which 'forest friendly' products are available in our stores.

Supporting and building capacity for sustainable forest management in places like Acre – which is subject to heavy pressure from cattle ranching – is critical to the future of Amazon forests. By proving that production forest can provide viable livelihoods, we can help prevent widespread forest conversion. It's also important that we develop the right skills to market goods to responsible customers.

There are 370 families involved in the community forestry projects that supply timber for the production of B&Q's tropical plywood.

And since we require hundreds of thousands of sheets of tropical hardwood plywood a year, we hope these projects will expand.



At Boots UK our aim is to be the UK's most socially responsible retailer in the health and beauty market. This can be illustrated by our work in the area of product sustainability. We have been working for several years to understand and intervene in the journey our products take from sourcing to customers and any final disposal. Our ambition is to improve the overall sustainability of all Boots own brand products throughout their lifecycle.

A vital part of this process is to ensure that our products and their raw materials are obtained from sustainable sources. To achieve this in a complex manufacturing and retail business covering a wide range of materials and products means that we have taken a holistic approach.

It is important to identify and target areas which have the greatest potential for improvement. When considering the impact from sourcing forest products, we found that the biggest material volumes were outside the mainstream product portfolio in areas such as publications and consumables. Therefore these materials were targeted to be sourced from credibly certified materials. For example the print run for Boots publications such as our gift guide and consumer magazines uses approximately 5,000 tonnes of paper. All of this is now FSC sourced. We have also recently converted the 1.6 million till rolls we use each year to FSC accredited material, accounting for another 600 tonnes of paper.

Considering our consumer product portfolio, it is quite a challenge to ensure that sustainable sourcing is addressed across the wide range of products in a fast moving retail business. Therefore we have introduced an integrated strategy to address product sustainability across the Boots brand.

First, we need to understand and measure the sustainability impact of our products. We have recently introduced a process to assess the sustainability footprint of Boots own brand products. Biodiversity impact and accreditation status are included in the assessment and the model identifies and prioritises improvement options. These are then built into product development strategies.

We also need to understand where our materials come from and the sustainability of our supply chain. We are committed to tracing all natural materials back to source. To achieve this, we have introduced an online sustainable sourcing database to capture information on the origin and accreditation status of natural

products and ingredients. This enables us to manage risks and identify options for sourcing from credibly certified sources.

It is also important that our suppliers are fully engaged with this process. Our supply chain auditors visit suppliers around the world and assess suppliers against our Code of Conduct for Ethical Trading, working with them to identify and encourage improvements.

Taken together, these processes are helping us meet our targets to improve the sustainability of our products and increase the proportion of forest products obtained from well managed sources.





The Forestry Commission aims to unlock the full potential of our trees, woods and forests, providing the widest possible range of economic, environmental and social benefits – while sustaining this vital natural resource for the future.

As the first state forest service in the world to have all of its forests independently certified as sustainably managed, the Forestry Commission was proud to receive the prestigious WWF Gift to the Earth Award.

Almost five million tonnes of wood per year are harvested from forests managed by the Forestry Commission – that’s over 40% of total timber production in the UK. This supply of certified timber reduces our reliance on imported wood and supports UK processors. And we plant 24 million trees every year to replace those we harvest.

Productive forests provide habitat for endangered species, including the red squirrel, dormouse and pearl-bordered fritillary. The land we manage in England includes over 67,000 hectares of Sites of Special Scientific Interest – 99% of which are in favourable condition. That makes us the country’s largest manager of these key wildlife sites and top of the league for looking after them.

There are more than 50 million visits to our woodlands each year, which makes us the country’s largest provider of countryside recreation. Our focus for all new woodland creation is to bring sites within easy cycling, walking or public transport access of a higher proportion of the population. In north-west England, working with others, we’ve created new community woodlands from old industrial sites. Over two-thirds of these lie within 300 metres of urban areas.

An overarching focus of our work is the contribution trees and woods can make to curbing and adapting to climate change. Independent research we commissioned calculated that a 4% increase in UK tree cover could absorb 10% of total annual greenhouse gas emissions. Our new Woodland Carbon Task Force will focus on realising that potential by kick-starting a major increase in new woodland planting to help the UK curb and adapt to climate change. For more information, please visit www.forestry.gov.uk



Kimberly-Clark (K-C) provides billions of people across the globe with essentials that bring a positive difference to their quality of life. Our products, such as bath and facial tissue, touch routine aspects of people's lives, every single day.



We have one of the most progressive fibre policies in the tissue industry – all fibre used across Europe comes from certified sources, with a preference for FSC. So in 2007 and 2008 respectively, we were one of the first to bring FSC certified branded products into the heart of consumers' daily routines through our well-known brands, Kleenex® and Andrex® – all of their main lines sold in the UK now carry the FSC logo.

K-C's commitments to sustainable business practices are woven into the fabric of our global business plan. They're also a direct expression of our fundamental values – to be authentic, accountable, innovative and caring. Tangible successes in resource stewardship, like enabling consumers to bring FSC products into their homes, help demonstrate that sustainability isn't just the right thing to do, it's a business imperative. Which is why as part of the company's commitment to stakeholder engagement, K-C began collaborating with WWF in 2007. Though initiatives such as mapping high conservation value forests and supporting small forest owners in becoming FSC certified, K-C and WWF are working together to help protect the world's forests.





Marks & Spencer launched Plan A – our commitment to deliver 100 environmental and social targets across our business and supply chain – in 2007.

As part of Plan A we will ensure that, by 2012, 100% of wood and paper used by M&S is FSC, recycled or otherwise protects forests and communities. This target covers everything sourced by M&S – all products and packaging, all items used in the construction and running of our stores and offices, and all our communications and marketing materials.

We have made great progress against our target, with 72% of all M&S wood and paper coming from sustainable sources. This includes 53% FSC, 11% recycled, and 9% sources that protect forests and communities. We've worked with Rainforest Alliance to fully understand where non-FSC sources can be regarded as protecting forests and communities.

A good example of the work we are doing on wood comes from the Store Construction and Fit Out team. The team began working on



sustainable wood at the launch of Plan A, and each year their target on sustainable timber has been raised. This reporting year, 85% of timber procured by the construction and fit out supply base met the Plan A target. And all direct building contractors and equipment suppliers are now FSC Chain of Custody Certified, providing M&S with a guarantee of the FSC status of the wood supplied.

Rachel Mellows, timber specialist for the Store Construction and Fit Out team says: “Sourcing timber from FSC certified sources demonstrates that M&S complies with the highest social and environmental standards on the market. This is crucial in protecting our brand and reputation.”

Our membership of the WWF-UK FTN has helped us every step of the way in our journey towards sustainable timber sourcing.

Their knowledge, experience and network of contacts allows us to keep up to date with relevant research, discuss challenges with other members, and get to grips with the technical detail of certification and risk. www.marksandspencer.com



Redrow is one of the UK’s leading residential and commercial developers. We’re committed to reviewing our processes on environmental and sustainability issues – from initial design choices at conception to the completed building. Particularly for timber, which is an important element of our construction process.

We try to increase customer awareness through our ‘10 Green Reasons’ leaflet. This highlights how Redrow contributes to a greener environment. It focuses on examples such as our efforts to reduce water use, and energy and carbon emissions.

Redrow’s drive to use timber from well-managed and sustainable sources ensures our wood products are certified to FSC standards – from floor joists and chipboard to staircases, door linings, skirting, partition walling, roof bracing, bedrooms and kitchens. Highlighting our commitments as members of the GFTN-UK, and our own environmental policy, has increased awareness across our supply chain of the ramifications of illegal timber.

Our initial work with the GFTN-UK has helped us to work with our five national suppliers to introduce an FSC staircase into our build process. We also have partnership ties with like-minded members, such as Travis Perkins and Jewsons. Through these ties, we combine our total purchasing power to offer better timber sources a route to market. This helps to support the message in the supply chain, including to smaller suppliers, of the need for forests to be sustainably managed.



10 Green Reasons to choose a new Redrow Home



1 High quality insulation and top efficiency boilers help keep carbon emissions low, so low that all our homes achieve a 'D' rating for energy efficiency.

2 Our homes are on average 40% more energy efficient than homes built pre 2002 and **70% more energy efficient** than homes built prior to 1990.

3 That's good news for the environment, and **saves you up to £556** a year on household bills*, so it's good news for you too!



4 Our homes outperform the average in sound insulation. That means less heat loss from your home, and lower draughts.

5 We reduce noise pollution too, so you'll be pleased you've chosen a superior standard construction method.



6 Lighting contributes up to 20% of the total electricity bill for the average house* so we provide a proportion of low energy light fittings in every home.



7 We help reduce water consumption, using water efficient fittings and dual flush WCs.

8 Redrow is a long standing member of BWF's UK Home and Trade Network and we are continuously working to ensure the timber used in our homes comes from well managed forests. Now **95%** of the timber products we use are from a combination of legal and audited certified sources as defined by BWF.

9 To help the environment even further, we also offer a range of sustainable options to choose from: kitchen, water regeneration, insulation, top flow extraction, air-purifying fans, smart built-in solar thermal solutions, advanced heating controls, motion sensors and smart devices.

10 Being environmentally conscious isn't just about the luxury we build for you, it's about establishing a **green philosophy** within the whole of Redrow. From deciding on our locations to choosing our suppliers, we're committed across by ethical and environmental practice.

REDROW.CO.UK



*Based on Redrow's analysis of household energy bills, comparing the 1000 lowest billings with the 1000 highest billings from 2008. Based on an average 4 person household. Energy consumption is based on the average for the year.

The co-operative
food

With fewer than 100 Iberian lynx remaining in the Mediterranean's cork oak forests, the days of this endangered species could be numbered. However, a growing collective of committed companies are working to improve the future for the lynx by making commitments to sourcing FSC-certified cork.

Sainsbury's

Sainsbury's, a leading retailer and participant in the GFTN-UK, has pledged that all the cork it uses in its own-label drinks will be sourced from FSC-certified forests. *"Our shift to FSC certification will make a huge difference, particularly when you consider that we sell over six million bottles sealed with cork stoppers every year,"* says Barry Dick, Sainsbury's wine expert.

Helping Sainsbury's achieve this commitment is Corticeira Amorim, the world's largest producer and provider of cork stoppers. Amorim recently joined the GFTN-Iberia along with Granorte, a leading cork manufacturer.

Through their participation, these Portuguese companies have formalised their commitment to trading cork from credibly certified sources. The GFTN-UK now represents 30% of the US\$2.2bn global cork market.

"Granorte and Amorim's commitment is a huge contribution to cork oak forest conservation and an example for other cork companies to follow," says Luís Neves de Silva, who coordinates the GFTN-Iberia in Portugal. *"Their participation transforms the GFTN into an important player within the international cork market. It's also a clear message to cork producers, signalling increasing demand for certified cork over the next years, and the market, indicating the increasing availability of certified products to the supply chains."*

The increasing availability of certified cork will also find a warm welcome in the Co-operative Group – another UK supermarket and GFTN-UK participant. It has introduced FSC-certified corks in about a third of its wines, and is working with Amorim and its supply base to use more FSC-certified cork closures on its wines.

Cork trees are unique in their ability to regenerate after their bark has been harvested. So cork forests undergo fewer disturbances than conventional commercial forests, creating a valuable ecosystem. FSC certification is the best way to protect this environment for the long-term benefit of communities living and working in these regions, as well as for wildlife.



At present, humankind is consuming resources at a faster rate than ever before and not yet doing enough to replace them. Thankfully, there are things we can all do to help, and Tetra Pak is taking steps both within our business, and in our communications with customers.

We've sourced materials responsibly, and over 1.5 billion of the cartons in the UK and Ireland we produce can now carry the FSC stamp of approval. This shows that they come from responsibly-managed forests and other controlled sources.

We've also begun a three-year partnership with WWF, which forms an important part of our sustainable approach to business.

Under the partnership, we launched a competition to engage people with environmental issues and specifically encourage them to use renewable resources where possible.

The competition aims to gather the public's best renewable ideas at www.renewableidea.co.uk. We're encouraging people to help select the finalist by voting for their favourites. The winner will receive up to £25,000 of support towards making their idea a reality with Tetra Pak. Ideas submitted so far have included using art to get people thinking renewably, and community schemes encouraging the purchase of renewable goods.

We're committed to raising awareness among the public of renewability as an environmental issue. Under the partnership with WWF, we support a conservation project in the Russian Caucasus, which provides a platform for us to increase awareness and understanding of the need for sustainable forest management, through FSC certification.

The Caucasus forest ecosystem plays an extremely important environmental role, as well as being rich in biodiversity. The western part contains a unique mixture of temperate, boreal and endemic species, including the last remaining chestnut, wild pear, endemic oak and maple forests. Large predators such as the Persian leopard, wolf and brown bear depend on the forest ecosystems.

Sustainable forest management in the region supports WWF's work to reintroduce the Persian leopard here. Our efforts to promote a change of practice in the Russian timber market by championing FSC are key to a sustainable future in this region.



© VLADIMIR FLONOV / WWF-CANON

Trees in autumn colors in Lazovsky State Nature Reserve, which is now considered one of the most important nature reserves in Russia. Boreal forest. Sikhote-Alin mountain ridge, Primorye region, Far East. Russian Federation.

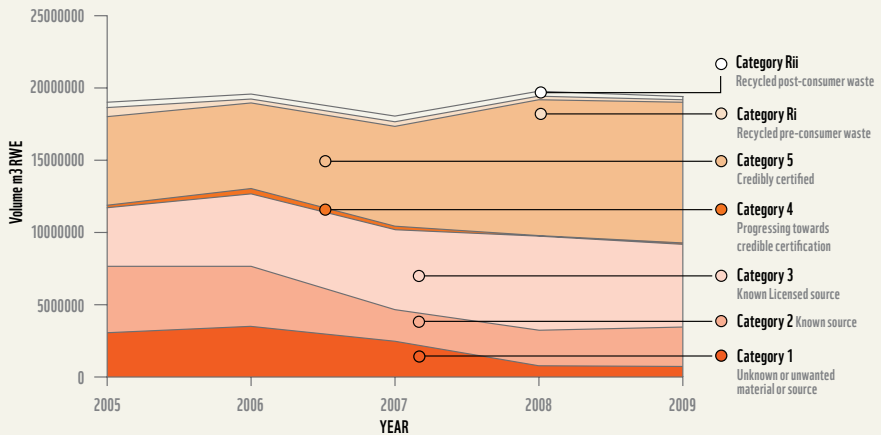
POSITIVE CHANGE

Across all GFTN-UK participants, a volume of under 1 million cubic metres* is now reported goods for which the source is considered unknown. There has been a 10% increase in the average level of credibly certified (FSC) goods against last year's reported figures.

10%
THERE HAS BEEN A
10% INCREASE IN THE
AVERAGE LEVEL OF
CREDIBLY CERTIFIED
(FSC) GOODS

Our 'like for like'** tracking on reporting from 2005 to 2009 is illustrated in the chart below. It shows that FTN participants are getting better at excluding unknown goods from their supply chains, so that products meet their policies on responsible purchasing. It demonstrates that usually these goods have established legality as a minimum, but that credibly certified products are preferred. However, it remains difficult to drive support to producers progressing to credible certification, except in individual cases. Therefore, much of this work is still done in the forest country.

Forest Products Traded by Members (Like for Like, 2005 – 2009)



* Out of 18.9m cubic metres imported, and excluding graduate member volumes. This is a combined figure and does not indicate that all participants report goods in this category.

** On a like for like basis means those members reporting to GFTN-UK since 2005, but excluding graduate members, any exiting members and new 2009 members. Please note, these summary figures have not been subject to independent verification, and are therefore intended as a guide only to reported trends

GFTN-UK measures progress on individual supply chains against our stepwise approach. We also have targets to work with various stakeholders, and to build an enabling environment for people to reduce the UK's impact on global forests.

In the past year, the network has:

Successfully lobbied for an effective EU regulation to limit the trade in illegal forest goods in the EU market.

Worked with Defra and the UK's Timber Trade Federation to implement a joint strategy that encourages local authorities to adopt and apply timber procurement policies.

Discussed with stakeholders the importance of Chain of Custody for forest products in business.

Used the process of reaching participation agreements to review and establish the scope of GFTN-UK participant reporting coverage for the majority of members.

Entered a new partnership with Tetra Pak UK & Ireland. It will fund GFTN-UK work in the Russian Caucasus on sustainable forest management and responsible trade in forest goods. Tetra Pak has committed £210,000 over three years to a project with WWF-Russia to save unique Caucasus forests, which provide a habitat for rare and unique species. The project will develop and promote sustainable forest management.

Carried out a review of the use of alternative timber species. We also held RIBA CPD seminars with architects to highlight the role specifiers can play in helping deliver sustainability in the market for certified forest producers.

Encouraged GFTN-UK participants to enter into market dialogues with GFTN-UK managers from key producer countries, such as China.



LOOKING FORWARD

We set targets to boost trade and to give progressing producers support by valuing the work they do to bring sustainably produced goods into the market and creating opportunities for them to become suppliers to businesses seeking responsibly sourced products – particularly in the

Congo Basin, the forest heart of Borneo, and the Amazon. These regions have iconic habitats and iconic species. But they're also places where people who rely on forest resources strive to improve their everyday lives. To support our aims, we'll be developing guidance for GFTN-UK participants, using the vast knowledge from across the WWF network on forest resource issues and risks.

In late 2010 and 2011, we'll increase our focus on linking committed buyers to committed producers, and working out the problems of sustainable consumption and production together. In October, GFTN-UK participants will gather in Shanghai to discuss how to overcome barriers to responsible purchasing. We want to build the GFTN's capacity in China. This will help GFTN-UK participants, among others, tackle an area where traceability and proving legality remain a considerable challenge.

Although the GFTN-UK participants account for a significant proportion of the UK's import trade of forest goods, there are many more businesses that need assistance in understanding the issues, and how to meet the upcoming EU Regulation to limit the trade in illegal forest goods in the EU market. Other organisations can benefit from the experience of GFTN-UK participants in achieving change. We plan to help different sectors and other businesses, such as furniture retailers, the packaging sector, and smaller timber traders. To achieve this, we will be looking at ways to report on GFTN-UK participant performance more openly, and we'll concentrate on how our knowledge about supply chain transformation can provide leadership and can offer incentives for others to do the same.

As 2011 is the UN Year of Forests, we'll make the most of the opportunity to add our voice to many others to call for a more sustainable future for these important resources. And we'll explain to consumers why forests are valuable for us, and for millions of people around the world. WWF has launched a new What Wood You Choose? campaign, to raise awareness about how our choices

impact on the lives of people in forest countries. We'll be working with retailers to get this important message across, and help achieve a step change in making our UK impact a positive one. You can find out more about the What Wood You Choose? Campaign at http://www.wwf.org.uk/what_we_do/campaigning/what_wood_you_choose/



BACKGROUND

COMMITTING

All GETN-UK participants have signed up to the following commitments:

1

TO WORK WITH WWF TO TRACE ALL NON-CREDIBLY CERTIFIED WOOD PRODUCTS BACK TO THEIR FOREST SOURCE.

2

TO PHASE OUT ALL FOREST SOURCES THAT ARE ILLEGAL, ARE THE SUBJECT OF UNRESOLVED SOCIAL CONFLICT, OR HAVE HIGH CONSERVATION VALUE, UNLESS CREDIBLY CERTIFIED.

3

TO OBTAIN SUBSTANTIAL AND INCREASING VOLUMES OF CREDIBLY CERTIFIED WOOD AND/OR PAPER PRODUCTS.



4

TO MAKE PUBLICLY AVAILABLE A CLEAR STATEMENT OF TIMBER/PAPER POLICY WHICH MEETS GFTN-UK REQUIREMENTS.



5

TO SUBMIT ANNUALLY TO GFTN-UK A REPORT ON THEIR FOREST PRODUCT USE, INCLUDING AN ANNUAL ACTION PLAN WITH SMART TARGETS FOR IMPROVEMENT.



6

TO COMPLY WITH THE GFTN-UK RULES OF PARTICIPATION AND TO HONOUR THE PARTICIPATION AGREEMENT, INCLUDING THE AGREEMENT ON COMMUNICATIONS.



7

TO RESPECT THE GREEN CLAIMS CODE.

Note: There are several forest certification systems, but only the Forest Stewardship Council currently meets criteria used by WWF to assess a credible independent certification system that ensures forests are managed to provide environmental, economic and social benefits. For more information on the Forest Certification Assessment Guide (FCAG) used by WWF for assessing systems, go to <http://assets.panda.org/downloads/fcagfinal.pdf>

REPORTING WWF-UK FTN reporting categories

You can find out more about responsible sourcing with GFTN's interactive guide at <http://sourcing.gftn.panda.org/>

Category 1 Unknown or unwanted material or source.

Material is placed in this category when either the participant's supplier cannot trace the source or when the material or its source is identified as, or suspected of being, unacceptable within the context of the participant's responsible purchasing policy. Where a UK FTN participant specifies a reported purchase as unwanted, it must set a corresponding, specific action to eliminate this from the supply chain in its action plan to the FTN for the next year.

Category 2 Known source. Material is placed in this category when it is traceable to an acceptable level and is believed to be compliant with the participant's responsible purchasing policy. If the source is considered to be known, the purchaser knows where the timber was grown and that the source is not unwanted.

Category 3 Known Licensed Source. Material is placed in this category when there is credible evidence, such as second or third party verification, that the timber in a product originated from a forest management unit in which the harvesting entity had a legal right to harvest, and is compliant with the participant's responsible purchasing policy.

Category 4 Progressing towards credible certification. Material is placed in this category when its source is verified as a known licensed source and a participant is in a time-bound process of progressing towards credible certification with third-party verification, and is compliant with the participant's responsible purchasing policy.

Category 5 Credibly certified. Material is placed in this category when the timber originated in forests that have been independently assessed and certified as being well managed: that is, they are managed in an environmentally responsible, socially beneficial and economically viable manner, and there is a fully certified and complete Chain of Custody from the forest to the participant. Currently, only the Forest Stewardship Council Forest Certification Scheme satisfies WWF's minimum criteria for a credible certification system that ensures forests are managed to provide environmental, social and economic benefits.

Category Ri Recycled pre-consumer waste.

Category Rii Recycled post-consumer waste.



A 'track skidder' at work in the forest. The skidder pulls the tree from the production site to the road where it will be loaded onto trucks. The 'track skidder' has a narrow shovel, to reduce the damage to the forest by working on narrow trails. This is an FSC requirement. Tropical rainforests, western Ghana.

VERIFYING

In 2005, we introduced independent assurance of forest product reports submitted by GFTN-UK participants.

This was intended to verify the completeness and accuracy of selected data and information in the reports, and whether GFTN-UK members have processes in place to collect and collate data submitted to GFTN-UK. The assurance process sets out to establish that the volumes reported in total, and in each GFTN reporting category, can be demonstrated as complete and accurate. In addition, where data has been estimated, we want the assurance process to assess the extent to which a suitable process is used to establish the estimated proportion. The GFTN is designed to work with participants to progressively improve their performance, including the quality of their data submission, via the GFTN stepwise process.

In 2009, we committed to submitting the compiled figures for GFTN-UK to a public assurance process before publishing them. This proved beyond our resources, so we focused on assurance for GFTN-UK members who had previously not been sampled. We asked our assurance provider, Environmental Resources Management Limited (ERM), to undertake so-called 'private' assurance on eight selected members' forest product reports. Given the GFTN stepwise approach of increasing understanding of forest goods in business supply chains over time to drive changes to more responsible purchasing, and the dynamic nature of business sourcing, we expect that challenges surrounding data quality will inevitably exist year on year. Compiled figures presented earlier in this report are not subject to independent assurance, so they can only be used as a guide to trends in the GFTN-UK reported data.



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Local man sitting on a branch in Kaya Kinondo, one of the sacred forests scattered along the coast in Kenya; a remnant of the coastal forest that once formed a fringe of green stretching from Somalia in the North to South Africa. It is home to the Digo people who build homes deep in the forest. Their culture is based around individual trees and the forest itself.



Illegal logging in numbers

€10-15 BILLION

The cost per year of illegal logging to timber producing economies.

93%

93% of EU citizens think it's important that wood products are legally harvested and traded.



JULY 2010

European Parliament votes 644-25 in favour of a law to ban illegal timber from the EU market.

37

Now with 37 members, the GFTN-UK aims to improve global forest management using the purchasing power and influence of UK business.

	<p>Why we are here To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.</p> <p>wwf.org.uk</p>
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