

Forests for a living planet
GFTN-UK Annual Report
2012-13



Prepared by Julia Young, Manager – GFTN-UK

September 2013



**INVESTORS
IN PEOPLE**

WWF-UK (World Wide Fund for Nature) Trading Limited
Registered in England company number 892812.
VAT number 733 761821
100% recycled paper

What GFTN is about

Commitment

Globally, GFTN participants commit to increasing the availability of forest products from well-managed forests. They help each other to benefit and profit from sustainable forest management, and to end the purchase of forest products from illegal and controversial sources.

Action

Every year, participants outline their progress in improving the nature of forest goods in their supply chains.

Transformation

We're using the growing support for sustainable forest management as a springboard to transform the global marketplace into a positive force that can save the world's most valuable and threatened forests.



2012

Reporting year

What is our reporting about?

Our major priority over the last year was to modify GFTN-UK's engagement strategy, which we've now implemented based on the levels of support that are needed for different participants. We aim to keep performance heading in the right direction and to eliminate goods with limited knowledge of source from supply chains, in favour of credibly certified or recycled forest goods, and to extend our outreach to new participants and collaborations in our new five-year strategy period.

Our work to make responsible forest trade mainstream is now underpinned by the adoption of the EU timber regulation (EUTR), which is designed to exclude illegal timber from European markets. Although the effectiveness of this regulation will depend on active enforcement, over time it should support a fairer market by reducing market disparities on price between responsibly traded products and those failing to deliver on legality and sustainability.

Transparency about performance in responsible sourcing has been a key strength developed by GFTN-UK, and the participants' commitments remain the same – so sustainability remains our policy goal, and actions and communications are geared around this.

All participants are required to publish information on their progress in sourcing from credibly certified and recycled sources on an annual basis, and in 2013 we've undertaken a selection of report verification audits of participants using a third party.

The advent of the EUTR means there's a change this year in the way participants report, regarding the governance we undertake related to forest products data.

In all cases of GFTN-UK participation from October 2012, there will be no engagement by WWF on supply chain data for forest goods post purchase. It remains the responsibility of any participant to demonstrate adequate due diligence for forest goods to be compliant with the EUTR. GFTN has not and will not assume or accept the role of a monitoring organisation as defined within the Regulation.

This change doesn't stop us from assisting businesses in undertaking a risk assessment of their intended supply, and giving support on overcoming obstacles to responsible purchasing, and sourcing from well-managed forests. It does have implications about when this support is provided, to ensure appropriate governance in the new regulatory environment, and to maintain the credibility of GFTN-UK.

GFTN updated its reporting categories to reflect more clearly the role of due diligence and risk mitigation actions in supply chain assessment to ensure more accurate categorisation of forest goods, and related target setting.

For details about GFTN-UK's participants, please use the links for each organisation:

[Argos](#), [Boots](#), [Canal and River Trust](#), [Carillion](#), [Christina Meyer](#), [Cooperative Retail](#), [Crest Nicholson](#), [Forest Enterprise](#), [Heathrow Airport](#), [Homebase](#), [Immediate Media](#), [Kimberly-Clark Europe](#), [Lend Lease](#), [Marks and Spencer](#), [MBNA](#), [Network Rail](#), [Nobia](#), [Office Depot](#), [Oxfam](#), [Pearson](#), [Polestar](#), [Pureprint](#), [Redrow](#), [RIBA](#), [Sainsbury's](#), [Saint-Gobain Building and Distribution](#), [Travis Perkins](#), [The Body Shop](#), [Williams Lea](#)

wwf.org.uk/gftn

Changes in participation:

Since our last report, we have seen the following organisations leave GFTN-UK:

BBC Worldwide: who sold their magazines business to Immediate Media Company

Tetra Pak UK and Ireland: who now fall under the Tetra Pak GFTN engagement through GFTN-Sweden

Shadbolt International: who, as a smaller business, decided to focus their businesses resources on continuing to source FSC timber for their products, having approached graduate/advocate status in GFTN-UK.

Paperback: who did not respond to continue participation in our new advocacy engagement

Robert Horne: whose participation in GFTN was brought to an end in autumn 2012, and announced at that time, due to sourcing of products from controversial sources believed to have come from the loss and clearance of high conservation value forests in Indonesia.

And the following organizations join GFTN-UK:

Immediate Media Company: this new company brings together the businesses formerly known as BBC Magazines, Origin Publishing and Magicalia, and a commitment to responsible sourcing for its paper use.

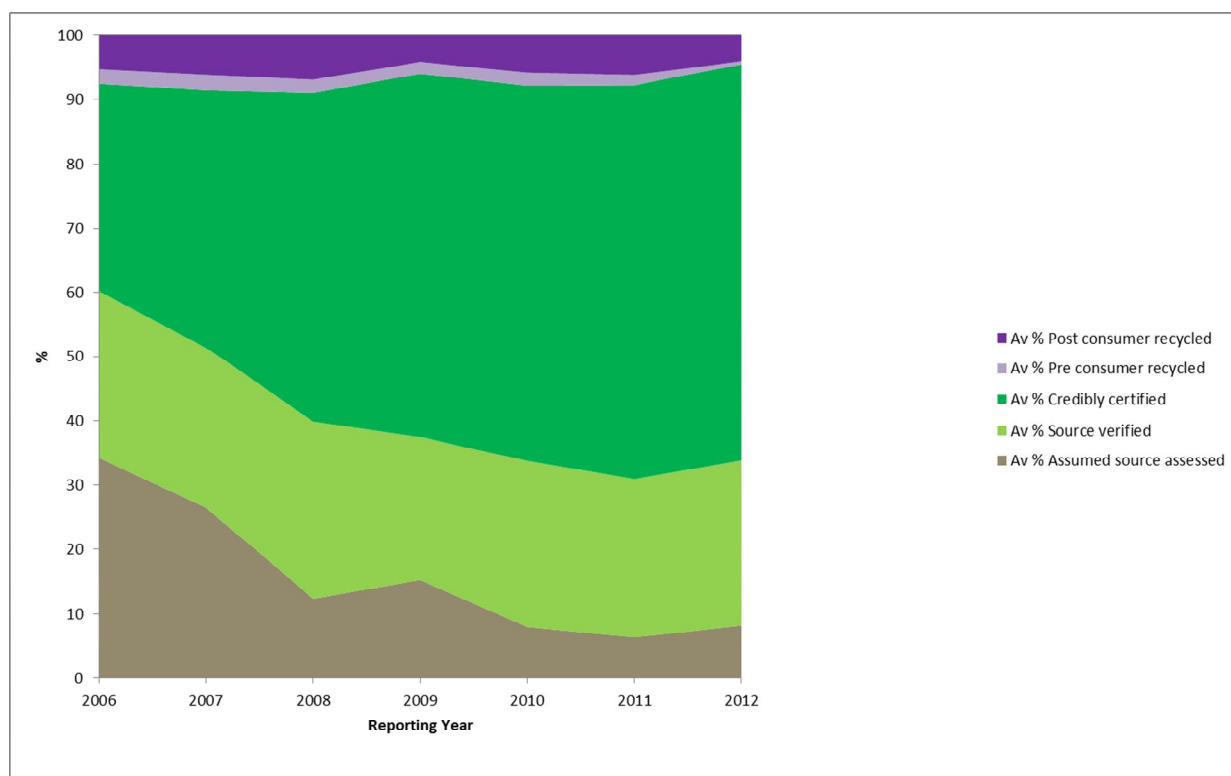


Performance during the 2012 reporting year

We can gain a snapshot of the performance of the GFTN as a whole from 'like for like' figures against the GFTN reporting categories. This is based on figures from all members that have reported to GFTN-UK each year since 2005.

The chart provides the trend of performance among this part of the group, through average percentages for the participants covered (19 of 28 participants) in our revised reporting format – where we focus on the commitment made by GFTN participants to progressively source from more responsible sources across their full supply chains for forest goods, with the newly adopted assumption that any goods not in these categories are subject to due diligence and risk mitigation for legality, as required by law.

'Like for Like' reporting – Average percentages for upper reporting categories



In total, GFTN-UK participants have reported against a total of 7.966 million cubic metres of round wood equivalent in the 2012 reporting year (excluding advocates). Any material not shown here for the 'like for like' group as source assessed, amounting to 8.3% for this group— is considered as having been subject to due diligence and risk mitigation for legality, as required by law.

Not surprisingly, due diligence for compliance has impacted on efforts to continue progress to better sources of forest goods – but we've seen a marginal increase in sources from well-managed forest under the FSC. Sustainability remains our goal as a network, and that commitment, and expectation, remains strong in GFTN-UK. We've communicated guidance to participants on higher risk sources, and the need to establish actions to move these to better sources.

Source assessed shows an increase in this performance chart on 2011's figure, and this is a function of the change in reporting categories, which do not enable an entirely direct comparison to previous year's reporting. Our new reporting category for source verified forest

products requires independent verification of the goods sourced to have taken place, whereas our previous categorisation of known licensed sources did not split out this verification element. Therefore, the small increase in this figure reflects the clearer categorisation, and gives recognition to the investment and level of due diligence undertaken

Finally, the uptake of recycled content has suffered largely related to high prices for recycled paper in the market.

Beyond direct engagement

Beyond the direct engagement and performance change of GFTN-UK participants, our priorities for the year under review here included wider engagement of UK businesses trading forest goods to undertake due diligence and exclude illegal timber from the UK market.

We sponsored the development of, and licensing with BSI for 'PAS 2021: Exercising due diligence in establishing the legal origin of timber and timber products – Guide to Regulation (EU) No 995/2010'. This is available as a [free download](#) for any business in the UK. It's part of our strategy to help create an enabling environment for trade, and make businesses see that these changes are achievable.

It's important that action by businesses for more responsible trade is backed up by government action that supports their investment and acceptance of responsibility for change. So in the past year, we've continued to secure commitments from local authorities across the UK to procure forest goods sustainably, and we've moved into a consolidation and assessment phase, supporting them with capacity building and achievement of their commitments. A total of [135 pledges have been made by 97 local authorities around the UK](#). Of these, 64 pledges have already been assessed as achieved.

In response to our pressure on DEFRA for a central government baseline detailing its actual delivery against their sustainable procurement policy for timber and timber products, the department has confirmed that it will publish procurement data for 2012-13 later in 2013. One of GFTN-UK's long-term objectives, yet to be realised, is to get UK government baselines for purchasing responsibly sourced timber – and to appraise whether at least 30% of purchases (from an assumed zero baseline in 2008) have been bought from responsible sources and meet government policy. No official baseline exists as yet.



Together we can do it

There are priorities we still need to attend to in GFTN-UK, one of which rolled over from last year, which is our interest in reporting on green claims for forest goods. So we still plan to take a look at who is making what green claims for forest goods, and report back on this work to promote responsible advertising to consumers, and enable them to make the right choices to reinforce the drive to bring responsible forest trade into the mainstream.

We've also worked with GFTN-China to support them with additional capacity – funded collaboratively by Home Retail Group, Pearson, Marks & Spencer, WWF-France and WWF-Switzerland – as we cannot make the changes we seek in the UK market without ongoing investment in the skills needed in forest producer countries to help businesses there.

Our new five-year strategy period (July 2013 to June 2018) gives GFTN-UK goals to achieve related to:

- innovating inside GFTN to ensure we provide a functioning business network for participants that's relevant, inspiring, informative and dynamic
- expanding participation of UK businesses in GFTN
- using our influence as a network to press for change, including in policy areas, to support responsible forest trade
- driving the sourcing of credibly certified forest goods, towards establishing their position in the market as 'mainstream' – that is, representing up to 75% of the market share
- fundraising for forest improvement projects in WWF's priority forest places
- delivering (as a partner to an EC SWITCH action with WWF-Indonesia) 'Promoting the implementation of timber legality assurance (FLEGT licence) as a key step to sustainable production and consumption in Indonesia's wood processing industry'.

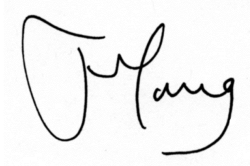
We've been examining thematic issues within GFTN-UK to learn as a group about how we can work better together to influence policy, maintain a focus on sustainability, and understand what it means to make a positive contribution to forest resources and habitats beyond sustainable sourcing.

The challenge for WWF and all GFTN-UK participants in 2014 is to raise the bar again, to ensure our collective response is aligned to the scale of the challenge of making our contribution to achieving the goal that, by 2020, there is nearly zero loss or degradation of forests in the most outstanding natural places, and that sustainable consumption and production underpins humanity's demands on forests worldwide.

Obviously, many others play a part in this role – FSC, PEFC, national governments engaged in forest trade and forest issues, central, regional and local authorities, service providers such as consultants, auditors, certification bodies, federations, trade associations, civil society, NGOs, communities, and individuals as consumers.

We commit to carrying on reporting against our detailed targets and performance, to achieve this goal in collaboration with others.

If you're accessing this brief, you may or may not have seen our postcard set with some of the themes we're using to inspire GFTN-UK participants in the year ahead – [accessible here](#). I hope you like them. And we want to hear from you – because your opinion counts, so please get in touch either by using our gftn@wwf.org.uk address, or contacting me direct.

A handwritten signature in black ink, appearing to read 'Julia Young', enclosed in a thin black rectangular border.

Julia Young,

Manager, GFTN-UK

WWF-UK