



Conservation | Sustainability | Climate Change

20 years of transformation

GFTN-UK Annual Report 2010/2011

A DOUBLE CELEBRATION

This year, we're celebrating WWF's 50th anniversary. During this half century, we've risen to many conservation challenges, including the ongoing fight to ensure a sustainable future for forests and the wildlife and people who depend on them.

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

In 2011 we're marking another anniversary: our Global Forest & Trade Network (GFTN) is 20 years old. For two decades, this partnership between WWF and business has promoted and developed responsible management of the world's forests. Its many successes during this time have helped us forge a brighter future for people and nature.





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Worker watering plants in Golini community nursery, near Mombasa, Kenya. Golini community nursery was set up to grow indigenous trees that would help maintain the water supply to the village after deforestation was identified as the reason the water supply to the village was diminishing.

RESPONSIBLE TRADE: 20 YEARS OF PROGRESS

2011 is a year of anniversaries: WWF is 50, and our Global Forest & Trade Network (GFTN) celebrates 20 years of working towards a sustainable trade in forest goods.



David Nussbaum, chief executive, WWF-UK

We founded GFTN in 1991 in response to the worldwide crisis of illegal logging in the 1980s. Leading businesses increasingly wanted to work together to reduce their impact on the forests from which they were sourcing timber and paper. This first 'buyers group' aimed to promote and facilitate trade in independently, credibly-certified products and to encourage responsible forest management worldwide.

Over two decades, there have been major achievements internationally by stakeholders making commitments to change: FSC® certification of forests in Indonesia, Brazil and the Congo Basin, which are home to some of the world's most vibrant and diverse forest ecosystems; increasing engagement on sustainable consumption and production in the transforming markets of China, India and Vietnam; and growth of certification in Russian forests, which are among the world's most valuable forest habitats. There are, of course, many places and many people who have played critical roles in bringing about the changes we seek in this time.

It's vital that we continue to monitor how well we're progressing towards achieving our goals. Platitudes don't save forests, and policies can't do the job alone. Effective implementation of sound policies is what counts. This year is a particularly appropriate time for action to eliminate the poorest sources of forest goods from supply chains: 2011 is the UN's International Year of Forests.

And, with the EU regulation to limit the trade in illegal forest goods in the European market on our horizon, GFTN-UK participants have just published their performance for 2010 purchases. We hope that the increasing transparency from GFTN-UK members about their forest sourcing ahead of the regulation will prompt other businesses to source responsibly and be transparent about their progress in doing so.

Forest certification in some of the places that are conservation priorities for us remains hugely challenging – but vitally important. As we continue our work, we look forward to companies and communities working together with one common goal: a sustainable future for the world's forests, and for the wildlife, people and economies that depend on them.



2011 is the UN's International Year of Forests

SUPPORTING HABITATS



Julia Young,
global forest and trade
network manager,
WWF-UK

The shocking story this year that one of the few remaining wild Sumatran tigers died after being caught in a trap touched a nerve for me.

The tragedy was a direct result of the tiger's natural habitat having been decimated. There are few places left for the species to hide, let alone thrive. It made it plain to me how urgently we need to act – to isolate businesses that persist in practices that lead to the destruction of high conservation value forests, and to exclude them from responsible markets.

Evidence of a tiger's death should be enough to compel us all to take action. Yet in my work as GFTN-UK manager, I'm questioned whether such evidence really is enough to act on. So I'll make one plea in this the International Year of Forests and ask you, the reader, to look at the evidence of loss of forest habitats that frequently appears in the news – the stories, photos and videos from communities, civil society groups and environmental organisations – and acknowledge that there are truly tragic consequences when we accept poor practices and consume the resulting goods.

Our natural riches are being destroyed. But it doesn't have to be this way. All too often, the impacts we have on our natural world are avoidable, and the losses unnecessary. By insisting on better practices and making better choices about the products we buy, we can make a difference.

And we can make others do the same. Several countries have now signed bilateral agreements with the EU, agreeing to supply only legally verified forest products to the European market. Indonesia, home to the Sumatran tiger, is one of them.

400

Estimated number
of Sumatran tigers
in the wild



OUR NATURAL RICHES ARE BEING DESTROYED. BUT IT DOESN'T HAVE TO BE THIS WAY

03.03.13

The EU Timber Regulation comes into full effect on 3 March 2013

But having a legal framework isn't a solution in itself. Ongoing vigilance will be required if this is to help wildlife or people who depend on forests.

Many operators work within the framework but still jeopardise natural forest habitats. The EU has stressed that these agreements, under its Forest Law Enforcement Governance and Trade (FLEGT) programme, are a step towards sustainable forest management in places with important forest habitats. But businesses and consumers must be vocal in ensuring that evidence from cases such as this tiger death is used to make sure FLEGT-licensed products, or any other forest products, don't legitimise poor practice.

For almost all the 20-year history of the GFTN, we've acted in the absence of a regulatory framework to limit the trade in illegal forest goods. We've lobbied with our participants for the creation of a framework.

Now, with the incoming EU regulation, we'll be ensuring the right knowledge is available to make certain that forest products consumed in the UK aren't contributing to the destruction or degradation of the world's most amazing natural habitats and resources. That's been the mission of the GFTN from the start, and will remain so.

The work of GFTN in the UK has evolved. We have been learning all the time about the job we set out to do which was to make a difference in the market by moving away from poor sources of forest goods, and favouring responsibly produced ones. GFTN-UK will now be reviewing its model to allow us to respond to the new environment, to reach out to a broader audience who need help to achieve change in their sourcing and meet the European Union Timber Regulation (EUTR), and to better serve participants by focusing on transferring WWF's knowledge of what's happening in key forest producing countries, and where any risks may lie in sourcing from them.



RESPONSIBLE FORESTRY AND TRADE: HOW GFTN STARTED

In the late 1980s, protests erupted around the world over the declining state of forests. People were outraged at the mass clearing of timber; about furniture being made from tropical wood; and about reports of illegal logging.

The future looked bleak for forests. It would mean an inevitably diminishing supply of materials for the forest products industry. And for any business involved, being seen as contributing to the decline of global forests didn't make for good public relations. So, in response, the market was flooded with claims of products' sustainability – most of which couldn't be validated. It left consumers confused and mistrusting, and companies were unsure how to respond.

Working within the market to find a solution

Then in 1991 a small number of forest products companies in the UK bought into an idea: to work within the market to address the deforestation crisis. It would prove revolutionary. The plan presented by WWF was to provide economic incentives to keep tropical forests standing.

A group began to form and ask questions. They sought answers regarding the origins of their supply, as well as forest management practices and anti-logging legislation. Twenty companies came together and made the groundbreaking public commitment to buy their wood and wood products only from 'well-managed' forests.



1991

What began in 1991 as the WWF 1995 Group in the UK is now GFTN

This group called themselves the WWF 1995 Group. Their ambitious goal was to phase out all wood and wood products that didn't originate from well-managed forests by 1995. It soon became clear that much more time would be needed to reach this target. But their intention and the group's foundation changed the face of forest management and trade. And a new partnership between NGOs and industry was born.

Small group, lasting results

The WWF 1995 Group played a leading role in establishing the Forest Stewardship Council (FSC®), an independent means of credible certification whose claims the public could trust.

What began as the WWF 1995 Group in the UK is now the GFTN – which spans the globe. It connects forest products companies in relationships that build value as they work towards a common goal: to safeguard the world's forests – and the communities, economies and ecosystems that depend on them.



© KALPESH LATHIGRA / WWF-UK

GFTN ACROSS THE GLOBE

GFTN is located in 34 countries. It engages with companies that are committed to responsible forest management and trade around the world.



US\$71BN

GFTN PARTICIPANTS SELL US\$71BN IN FOREST PRODUCTS ANNUALLY, OR AN ESTIMATED 18% OF THE GLOBAL TOTAL OF FOREST PRODUCTS TRADED PER YEAR



21.5 MILLION

GFTN PARTICIPANTS MANAGE 21.5 MILLION HECTARES OF CREDIBLY CERTIFIED FORESTS AND FURTHER MANAGE 6.1 MILLION HECTARES IN PROGRESS TO CERTIFICATION



272

GFTN CURRENTLY WORKS WITH 272 COMPANIES WORLDWIDE



300

GFTN PARTICIPANTS SUPPORT 300 LOCAL FAMILIES IN COMMUNITY OPERATIONS



12%

GFTN PARTICIPANTS TRADE 12% OF THE GLOBAL HARVEST OF INDUSTRIAL ROUND WOOD (LOGS)



15%

GFTN PARTICIPANTS ARE RESPONSIBLE FOR 15% OF THE GLOBAL TOTAL OF FSC®-CERTIFIED FOREST AREA




215

GFTN PARTICIPANTS ENGAGE IN 215 TRADE DEALS WITH OTHER GFTN PARTICIPANTS, WORTH OVER US\$105M



© BENJAMIN EALOVEGA / WWF-UK

By choosing -certified products, consumers can help to support forests and the wildlife and communities who depend on them.

GFTN-UK PARTICIPANTS

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

RETAIL

- Argos Ltd 2009
- B&Q plc 1991
- Boots UK Ltd 1992
- Co-operative Retail 1996
- 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

FURTHER GROUPS

- Forest Enterprise Graduate Member 2001
- Oxfam GB 2000

Changes to membership of GFTN-UK in this reporting period:
 London Borough of Lambeth (joined 2002) – did not renew its participation as an organisation, in agreement with WWF-UK.

Focus (DIY) Ltd (joined 1992) – went into administration in 2011.

You can find out more about the GFTN-UK participants at wwf.org.uk/ftnmembers

EMBEDDING CHANGE: STORIES FROM GFTN-UK PARTICIPANTS

GFTN-UK has a graduate status, which confirms and recognises participants whose trade by volume in forest products is consistently more than 95% credibly certified and/or recycled post-consumer material, and who have no material in the two lowest reporting categories.

An independent third-party audit of a participant's business is undertaken to confirm eligibility for this membership category.

We expect graduates to inspire others transforming their consumption of forest goods to achieve the same. Here are some stories from the current graduates.

ESMONDE PUBLISHING LTD

Helen Esmonde, director of Esmonde Publishing, a GFTN graduate participant, talks about her involvement in responsible sourcing.



Helen Esmonde,
director,
Esmonde Publishing

In 1982 I founded Esmonde Publishing Ltd with a view to producing own-brand products for the retail trade. Since then, I've produced thousands of notebooks, writing sets, and diaries, address books, etc.

I joined what used to be known as the WWF 95+ Group, now GFTN-UK, in 1996. In October 2007, I attained graduate status, having achieved a supply chain where 95% of paper used is FSC®-certified or recycled.

Since joining the GFTN, I've followed WWF's guidance to buy paper sourced from well-managed forests – preferably FSC®-certified. It's been a fascinating journey, from a time when the whole concept was unknown or largely dismissed by the paper and printing trades, to a time when the majority of UK printers offer FSC®-certified paper options.

I've had the good fortune to travel and live in many different countries and was brought up with a great love of the natural world. So, it's been rewarding to contribute in a small way towards raising awareness of our need to focus on the preservation, conservation and delicate balance of our natural environment, and it has added an important dimension to my life. My family knew about FSC® from an early age and are amazed by how it is now so much part of everyday life.

In 1998/99, I brought in FSC® pulp from Sweden and made a grade of FSC® paper using the Silverton Mill in Devon. I believe this was the first FSC® paper in the UK. In 2000, Esmonde Publishing Ltd introduced the Pureprint Group to WWF and GFTN-UK. In turn, it became the first UK printer with FSC® chain of custody. Other successes in getting FSC® recognised came when in 2003, working with Sainsbury's, we introduced the first own-brand supermarket range of FSC® notebooks. Today, Esmonde Publishing Ltd produces a range of FSC® notebooks and writing paper/envelope sets for the John Lewis Partnership, among other clients.

Early in 2003, I introduced wildlife photographer Roger Hooper to WWF and we've since held a number of exhibitions in association with WWF – at the Hooper's Gallery and the Oxo Gallery in London, to help raise awareness of conservation as people enjoy the wonderful images. These will continue! And I've enjoyed running two 'Moral Fibre' discussion evenings to debate issues surrounding forest management and bringing FSC® to market.

In the early days, it might have seemed a challenge to keep the faith. Huge challenges remain, but the rewards are out of this world!



95%

GFTN-UK graduates
have 95% or above of
forest goods in
their business
FSC®-certified or
from recycled sources

PAPERBACK: A JOURNEY OF RESPONSIBLE BUYING

Paperback is an independent paper merchant with a 30-year track record of environmental purchasing.

The company's roots lie in the emerging environmental movement of the 1970s, when its two founding members, Jan Kuiper and Frank Broughton, were actively involved in environmental campaigning. In 1982 they started Paperback, to put their environmental principles into action. At the time there was insufficient demand for products made from waste paper – a valuable resource but with a volatile market. The company aimed to create this demand, to 'close the loop'. It has remained faithful to this goal – and sourced a greater variety of recycled papers and improved their quality – during 30 years of trading.

In the 1980s the UK still had a paper industry for Paperback to work with. Much of the decade was spent talking to paper mills about the merits of developing and promoting recycled papers. Most were initially reluctant, but others were willing to tap into a slowly developing market for greener goods. With technical assistance from the Paper Industry Research Association and a far-sighted paper mill, Paperback launched the first coated recycled paper in the mid-1980s, and continued to develop new lines.

Since its beginnings Paperback has been at the forefront of innovation in the sector. It was one of the pioneers of the ABCD environmental classification of recycled papers, which grades them according to content, differentiating between pre- and post-consumer waste. It also supported the Greenpeace initiative to reduce and eventually eliminate the use of elemental chlorine in paper production, and started a systematic assessment of its suppliers' environmental performance through a yearly questionnaire.

1982
Jan Kuiper and Frank Broughton had the vision to start Paperback in 1982 and address the challenge of more responsible paper production



Paperback was the first European paper merchant to gain FSC® certification

Paperback has also strongly supported WWF's campaign for sustainable forestry. In 2001, it became the first paper merchant to join the WWF 95+ Group (now GFTN-UK). In the same year it was the first European paper merchant to be awarded FSC® certification.

When Paperback was set up, recycled paper was seen as an 'alternative' product and indeed its founders cut their teeth selling multi-coloured stationery at London's Camden Lock market. But as the company proved that the terms 'quality' and 'recycled' were not mutually exclusive, it extended its customer base to mainstream institutions such as BT, NatWest, Sainsbury's, Tesco, British Airways, the BBC, P&O, the National Trust and the British Museum, as well as government departments and local authorities and charities both large and small.

The decline of the UK paper industry has forced the company to source more and more of its products in Europe. But it has stuck to its original mission to supply recycled papers. This led to its becoming one of the first FTN members to be awarded graduate status.

Last but not least, as an employee-run company, Paperback has welcomed FSC® International's initiative to incorporate social and employment factors in its certification process.

www.paperback.coop



© PHOTO COURTESY OF PAPERBACK



© WILD MONDERS OF EUROPE / INAKI RELANZON / WWF

THE FORESTRY COMMISSION

The Forestry Commission is responsible for protecting and expanding forests and woodlands and increasing their value to society and the environment.



Brian Mahoney (right), head of sustainable forest and land management, The Forestry Commission and Andrew Humphries (left), director, Woodgate Sawmills Forest of Dean

We are an organisation built on the passion and experience of people who really care about what they do and this is reflected in the way we manage the 750,000 hectares of the national forests in England, Scotland and Wales. As custodian of the public's forests, we work with others to keep them as special places for wildlife, for people to enjoy and businesses to thrive. In 1998 these became the first state forests in the world to be certified to the FSC® standard.

We are committed to forest management certification. The standard inspires us, and the audit process enables us to continually develop and grow. We know that we are meeting society's needs for wood products of assured origin from forests that are responsibly managed for enjoyment and leisure, for conservation and biodiversity, as well as for timber production.

Britain uses a large amount of timber, paper, board and other wood products each year – equivalent to about 50 million cubic metres. Around 85% of this has to be imported at an increasingly large cost. Against this background the development of the British timber industry, using wood from Britain's forests, has been a major success story. Over £1.6 billion has been invested in sawmills and paper and board mills over the last 15 years, and a further investment is expected over the next 15 years, creating many new jobs. The supply of certified timber from the Forestry Commission estate continues to underpin much of this investment and the development of a wide range of certified timber products.

Responsible forest management, however, is about more than the production of timber. At Kielder Forest, England's biggest producer of timber, there has been a massive conservation breakthrough in re-colonising ospreys. This wild Northumbrian forest has become the only location in England for over 170 years where more than one pair of ospreys has bred successfully.

Looking ahead, we are continually exploring new and innovative approaches to woodland management to meet changing objectives, and the potential effects of climate change, as we create the forests and timber resource for the future. Among our many recent initiatives, we have created new woodlands for city communities from east London to Manchester and Liverpool, as well as adapting our woodlands in Pickering, North Yorkshire, to help combat flooding.

www.forestry.gov.uk



For the first time in 170 years more than one pair of ospreys has bred in an English forest

As we track progress of GFTN-UK participants' adjustments to their supply chains, we appraise whether a business is likely to maintain its improved status across its purchasing portfolio, and move into the graduate status group. Here are some stories from participants that are well on the way in this process.



© WILD MONDERS OF EUROPE / JOSE B RUIZ / WWF

THE CO-OP: GOOD WITH WOOD

At The Co-operative Group, social responsibility and sustainability are part of our DNA.



Phil Penny,
technical manager
– non-food technical
department,
Cooperative Retail

It has been the case since 1844, when the Rochdale pioneers established the first member-owned business, based on values and principles which include social responsibility and caring for others. It remains so with the launch of our Ethical Operating Plan in 2011.

In 1996 we joined GFTN-UK (then the WWF 95+ Group) to help increase the trade in sustainable forestry products. The challenges we faced initially were numerous, from simply tracing the source of wood and paper products to the fact this was a new area for our suppliers and they needed help. Key to this was devising a transparent system to capture the data, set the baseline and monitor progress towards our target, while ensuring robust traceability of our products back to source.

Led from the top of our business, with key input from technical, buying and marketing teams, we have been able to drive change and communicate the benefit of sustainable production and consumption of wood and paper products. We have also had support from our supply base and WWF.

FSC® was then, as it is today, our gold standard for forest sustainability, along with post-consumer recycled waste. We have progressed to over 96% of wood and paper products sold in our stores being from one of these sources. From our first sustainable product, FSC® wooden kitchen utensils in 1999, to FSC® bathroom tissue paper in 2007 and beyond, the journey has been fast-paced and challenging, but extremely rewarding.



92%

92% of coffins in
The Co-operative
Funeral business
are FSC®-certified

In 2011 – the UN International Year of Forests, GFTN's 20th anniversary and WWF's 50th – it is timely to confirm progress across The Co-operative Group. For example, 92% of coffins in The Co-operative Funeral business are FSC®-certified, and all Co-operative Bank chequebooks are too. And FSC®-certified timber is the minimum criterion set for procurement of the furniture for our new head office – being built to BREEAM outstanding rating level. This and other projects will help us maintain our high procurement standards and demonstrate our ongoing commitment to sustainability.

The journey has been long and challenging. However, our time and effort are greatly rewarded by the feeling that we're helping to protect the world's forests – one tree at a time.

www.co-operative.coop/corporate/sustainability



© PHOTO COURTESY OF PUREPRINT GROUP LIMITED

Pureprint's investment in high-productivity printing machines has enabled it to become a mainstream supplier of sustainable printing to the UK's leading businesses. The majority of its clients select Pureprint because of the quality of the company's environmental management.

PUREPRINT: AWARD-WINNING RESPONSIBLE PRINTING

It's our anniversary this year, too. Pureprint Group has been a member of the WWF GFTN for 10 years.

Originally, the company was a niche provider of sustainable printing. But today we have the latest high-productivity printing machines and provide services on a fully flexible, 24-hour basis. This means we offer sustainable printing as a mainstream choice to the UK's leading businesses – including 30 of the FTSE 100.

Significantly, over 70% of the company's customers say that their decision to buy printing from us is influenced by the quality of our environmental management. A key part of Pureprint's industry-leading approach has been the adoption of the WWF GFTN responsible paper purchasing guidelines. This, together with our Supporting Sustainability customer education programme to give advice on best practice on print-related environmental impacts has been crucial for Pureprint's paper purchasing targets, as all paper is customer specified.

In 2010, 99% of all paper purchased by Pureprint was made with recycled or certified fibre. This percentage has more than doubled in the last five years.

"We realised some time ago that choosing the right paper is hugely important in making our printing as sustainable as possible," says Richard Owers, director of Pureprint Group. "Working closely with the WWF GFTN has provided the knowledge and guidance to help us further reduce the environmental impact of what we do."

Pureprint's environmental management has been recognised with many awards, including the Queen's Award for Enterprise for Sustainable Development in 2003 and 2008. As a carbon neutral company, we're now pushing for paper producers to advise on the carbon footprint of their papers so that responsible paper purchasing can be carbon aware as well as enabling a conscious choice of paper by fibre source.

www.pureprint.com

**"WE REALISED
SOME TIME AGO
THAT CHOOSING
THE RIGHT PAPER
IS HUGE
IMPORTANT IN
MAKING OUR
PRINTING AS
SUSTAINABLE
AS POSSIBLE."**

LEND LEASE: BUILDING A SUSTAINABLE FUTURE



OUR DECADE-LONG ASSOCIATION WITH THE GFTN HAS LED TO SOME SIGNIFICANT IMPROVEMENTS

Lend Lease is one of the world's leading fully integrated property solutions providers, and one of the UK's largest construction companies.

Our decade-long association with the GFTN has led to some significant improvements in our knowledge of our timber supply chains, the level of reporting, and the percentage of FSC®-certified timber we procure.

Over the past six years, we have increased the percentage of construction projects reporting timber use from 20% to 100%. And we increased the percentage of FSC®-certified timber procured with chain of custody to 93% in 2010. Recent improvements have been driven by the introduction of project specific targets and improved monitoring and reporting systems.

Lend Lease is one of the very few property and construction companies leading the way in responsible sourcing. In 2010, Business in the Community recognised our practices as its Example of Excellence. See: www.bitc.org.uk/resources/case_studies/lend_lease_change.html

Over the last few years, procuring FSC® timber has become part of the way we do business. Increasingly we are now looking to achieve our own Project FSC® certifications, and our actions in these areas have seen a number of key suppliers gain their own chain of custody in the past couple of years.

In 2010 we achieved our first Full FSC® Project Certification for Commercial Offices and Private Housing at the Central St Giles Project. Several of our other projects are continuing to work towards this, and our target going forward is for projects over £50m to achieve Project FSC® certification.



100%

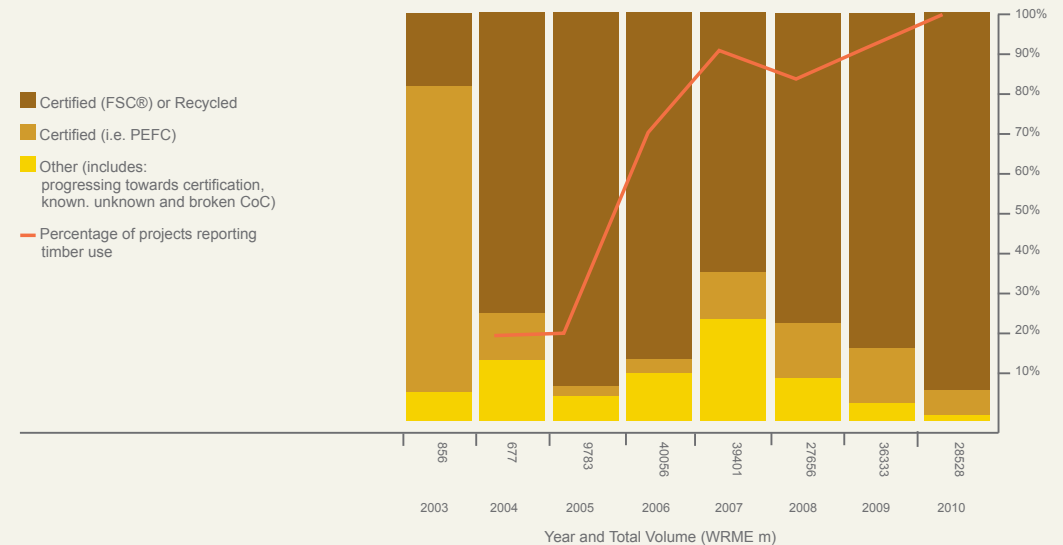
Over the last six years, the percentage of Lend Lease construction projects reporting their timber use has increased from 20% to 100%

We recognise it is a challenge to attain FSC® Chain of Custody certification on all projects, but we are striving to achieve this. We continue to work with the timber industry and our supply chain to increase the availability of credibly-certified timber products for all our projects. Our business wants to ensure sustainable sourcing while reducing our part of the UK's footprint on global forest resources.

Andrew Kinsey, head of environmental operations for Lend Lease Europe Middle East and Africa, says: "Procuring FSC®-certified timber and encouraging our supply chains to get certified demonstrates our status as a leader in sustainability and helps improve forestry management practices globally. This is a great achievement and adds to our track record of continual improvement in this area over several years."

www.lendlease.com

Breakdown of LL PM&C Timber Procured by Risk Category (2003 to 2010)



OXFAM: REDUCING THE IMPACTS OF ITS SUPPLY CHAIN

Oxfam is one of the UK's leading development NGOs. Our work is supported by raising funds through an extensive retail and marketing operation. Responsible sourcing is high on Oxfam's agenda and we focus on both the social and environmental impacts of our supply chains.

Oxfam has been a member of the GFTN since 2000. We require that suppliers provide full traceability of the source of any forest products we buy for sale through our network of 700 shops or to support our marketing operations (e.g. through catalogues or direct mail).

In addition, and as part of a long-term continuous improvement programme, the majority of our own-brand retail forest products and operational paper products are now produced from 100% post-consumer recycled or FSC®-certified sources.



To this end, our buying and merchandising teams have had training on our GFTN commitments and worked to improve the way they collect data from suppliers. We make our responsible sourcing requirements clear at the outset, and select suppliers that share the same values so we can challenge the perception of recycled products on the high street.

We challenge key retail suppliers to increase year on year the recycled and FSC® content of the products they manufacture for us. For instance since 2010 Oxfam's Christmas card and roll wrap range has been produced on 100% recycled paper, a product that was perceived as impractical and not economically viable a year earlier.

This spring we launched a new recycled stationery range. The majority is made from 100% FSC® recycled paper. We're proud to offer a range that's beautifully designed, good value for money and kind to the environment.

We've set up a Paper Framework Agreement with one paper merchant, through which preferred recycled and FSC® papers known as 'house sheets' are available. Oxfam print suppliers are instructed to purchase from this agreement on our behalf. This also enables more comprehensive visibility and reporting of our paper purchasing, while enabling us to be confident in the sheets that we're using.

This year we'll work closely with our fair trade suppliers to identify ways to improve traceability in their producer groups' supply chains. We're prioritising support for our fair trade suppliers so they'll be prepared when the EU timber legislation is introduced in 2013.

www.oxfam.org.uk

100%

Oxfam worked to make its Christmas card and roll wrap range 100% recycled – something previously perceived as unviable



Over the course of the reporting year, there are many other victories in the battle to bring responsibly-sourced products to the UK market. A couple of further highlights come from two GFTN-UK retailing participants.



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MARKS & SPENCER: A SUSTAINABLE VISION

In 2007, M&S launched Plan A, our vision to be the world's most sustainable major retailer by 2015.

Four years on and the plan is now integral to the spirit and substance of M&S. It's delivering tangible benefits to our customers, employees and suppliers, and making a positive difference to the people and places our business depends on – both now and in the future.

As part of Plan A we have pledged to protect natural resources, safeguard natural habitats, and support the replenishment of raw materials. We aim to ensure that 100% of wood and paper used by M&S is sustainable: either recycled, FSC®-certified, or from sources that otherwise protect forests and communities. We've developed this last category by working closely with the Rainforest Alliance, which has helped us build a framework based on risk assessment.

We are making good progress: 76% of the wood we use is now sustainable. Our commitment covers everything sourced by M&S – not only products and packaging, but all the wood and paper used in the construction and running of our stores and offices, and all our communications and marketing materials.

Our Property and Store Development team are one of the driving forces behind our commitment to sustainable wood. Last year, 94% of timber procured by our construction and fit out supply base met the Plan A commitment. All our 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.

In April 2011, the team was proud to open the new Sustainable Learning Store at Ecclesall Road in Sheffield, the world's first fully FSC®-certified 'build and fit out' retail store. Working closely with contractor Wates Group, the team overcame challenges including the ability to find local sources of specific wood types such as western red cedar, used for canopies and protection of the external plant room, and ensuring wood used in highly visible finishings such as birch plywood, used for the sales floor, was of adequate quality.

The team is working on a second Sustainable Learning Store, at Westfield Stratford City, east London, which will open in autumn 2011.

Looking to the future, M&S will continue to collaborate with suppliers and partners – such as WWF's GFTN – to overcome challenges, continuously improve the sustainability of our wood sourcing, and ultimately achieve our vision to become the world's most sustainable retailer.

www.marksandspencer.com

76%

76% of the wood M&S use is now sustainable

OFFICE DEPOT: A GREEN MANTRA

At Office Depot we encourage and influence the sourcing of sustainable products throughout our global supply chain. We also work with independent companies to verify our achievements.

Our global environmental strategy has several simple steps – buy green, be green, sell green, tell green. They're all geared towards pairing sustainability with long-term economic value for the business, our suppliers and customers – and being able to demonstrate that we're doing what we say we will. Here's how it works when it comes to sourcing wood fibre.

New Leaf Sustainability Practice, an independent consultancy verifies environmental claims, wood fibre sources and supplier CSR data for Office Depot in the UK. This gives us and our customers real confidence in the true benefits and original sources of our products.

Due to the number of products sourced, there is a need to have a system which is available to a wide variety of stakeholders: our suppliers, buyers, merchandisers and sales staff across the EU. Using the data, we have developed initiatives that allow us to work closely with our suppliers. These include site visits, taking an educational approach to those that need support, and providing action plans and recommendations for improvement. This approach has achieved a reduction in unknown wood fibre sources, and those sources for which legality verification has not been achieved.

As part of our strategy to provide independent assurance that we do what we say we do, all of our UK and Ireland sites are certified to environmental management system standard EN ISO14001:2004 supported by a programme of targeted and monitored initiatives to reduce our environmental impacts and prevent pollution.

**SELL
GREEN:**

**TELL
GREEN:**

Buying green is only half of the story; Office Depot is selling green too! We introduced FSC® certified own-brand ranges of multi-purpose labels and copier papers in the 2010 catalogue, thus offering our customers an even greater cost-effective choice.

Our database for wood fibre products enables employees to provide instant answers to customer sustainability questions. It also ensures that only environmental information that's been verified by a third party is used within the business. The database provides environmental product specification sheets in a customer-friendly format that give details of compliance with the UK Government Timber Procurement Policy and third party eco-labels such as FSC® and Blue Angel.

For the first time this year Office Depot and the other GFTN-UK participants published the status of our externally-verified supply chain on WWF's website. We hope our transparency about our forest sourcing performance will prompt others in the sector to do the same, and initiate discussion about how businesses can overcome the remaining challenges.

www.officedepot.co.uk

**BUY
GREEN:**

**BE
GREEN:**



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POSITIVE CHANGE

GFTN participants have collected information on their supply chain sources and assessed them using the GFTN categorisation of forest goods.

This enables them to identify where any risks may lie, such as unwanted illegal sources, where high conservation forest is being impacted, or where there's social conflict over access to land and resources.

It remains a real challenge for companies to trace their forest goods. These goods are traded globally, and through the hands of many suppliers. At each step there's the possibility of losing evidence that the product was legally traded. A new EU regulation to limit the trade in illegal timber, which will come into effect in March 2013, prohibits placing timber on the EU market if it was illegally harvested. This should mean that all forest-sourced goods such as furniture, fencing and paper that we can buy here in the UK are at least produced legally.

A snapshot of the performance of the GFTN as a whole can be gained from like-for-like figures against the GFTN reporting categories. See graph on page 37.

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 June 2011, GFTN-UK participants publicly released their progress on responsible sourcing of forest goods

In the past year, the network has:

- Published performance on an individual basis, with an accompanying brief, and set out the challenges and priorities, ahead of the EU Timber Regulation coming into force in March 2013.
- Supported the WWF 'What Wood You Choose?' campaign to help consumers understand how their choices can impact on other people's livelihoods and the forests they depend on. And continued work with Defra, via the Central Point of Expertise for Timber (CPET) to promote responsible sourcing of forest goods among local authorities.
- Initiated a feasibility study on ways of delivering guidance for due diligence on forest goods to wider audiences, and developed a plan for this work going into 2012.
- Emphasised to all stakeholders the importance of carrying out risk assessments of supply chains and obtaining evidence of legality and sustainability in advance of purchasing forest goods.
- Continued to promote the expansion of the scope of GFTN-UK participant reporting to include internal use, store related and packaging goods.
- Participated in the GFTN China annual meeting in Shanghai, and successfully raised funds to increase GFTN China's capacity to expand our knowledge of key product groups, and to provide supply chain training to Chinese suppliers.
- Taken opportunities to comment in mainstream and trade press about responsible sourcing and the upcoming EU Regulation and its significance for business. The network had a presence at the UK Interiors Fair and the Chelsea Flower Show. And we have a stand at the forthcoming Timber Expo. It all helps to raise the profile of responsible sourcing with a wider audience of consumers and businesses.



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DEVELOPING THE WORK OF GFTN-UK UP TO 2013 AND BEYOND

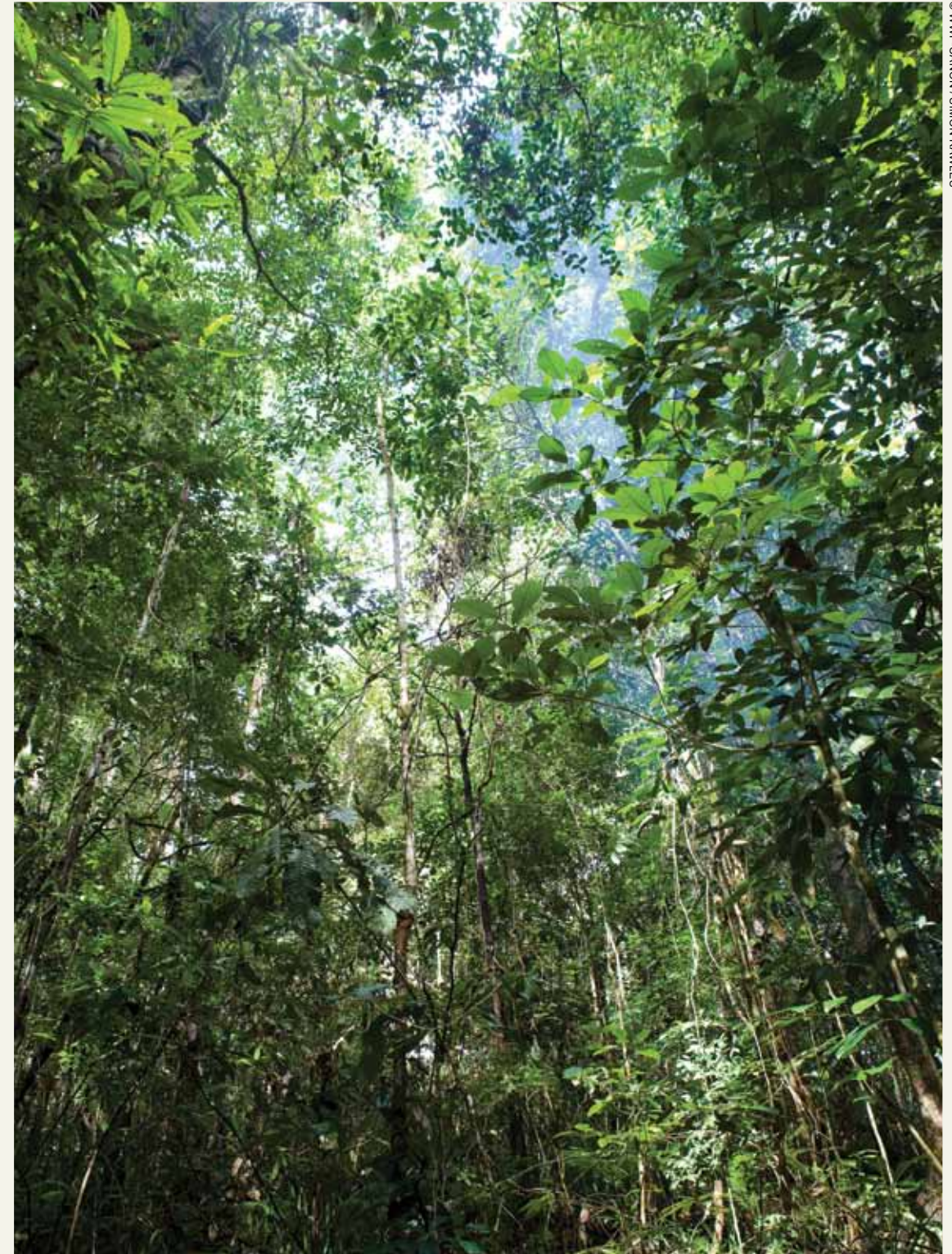
Until 2013, GFTN-UK will focus primarily on due diligence of forest goods in the supply chain of GFTN-UK participants, to ensure that they meet the EU Timber Regulation by 2013.

The obligations of the new regulation remain to be seen in full, but as the like-for-like figures previously presented show, GFTN-UK participants have a maturing profile on the whole, and the areas remaining to be tackled fall into a few characteristic categories. A surprising amount of timber and paper that GFTN participants regarded as not having adequate information to confirm legality of source comes from Europe and North America. There's work to be done here to make sure that responsible businesses don't waste precious time and resources tracking goods for which it should be easy to confirm legal origin. Goods coming from China without appropriate evidence of origin are an ongoing challenge, but there are also suppliers that have simply refused or failed to supply evidence as they have not yet appreciated the full implications of not passing it on in a robust manner.

Work is required to raise awareness throughout supply chains including with UK traders and contractors, so that chain of custody is operated effectively, and so that it's clear from one business to another what information is required to show due diligence for forest goods – and why it's important to do so. Further, we can see that continued effort is needed to support producing countries to supply goods from well-managed forests in the first place, and to eliminate illegal trade and poor practices.

To read more about what the GFTN-UK participants said were challenges and priorities, visit our [Current Members page](http://www.wwf.org.uk/ftnmembers), where you can read our brief on public reporting. www.wwf.org.uk/ftnmembers

GFTN will soon finalise its new global strategy for the period up to 2015, so GFTN-UK is currently reviewing its model. Our UK priority will be to provide the best information and evidence of what is happening in the forests that WWF cares about most, and how businesses can support responsible forest management and trade in those places. Increasingly, too, we want to reach out to more businesses in the UK – to help them appraise and manage the risks and connect them to responsible producers worldwide. This will mean working with other organisations more frequently, and we look forward to building new partnerships to achieve change. Changes to the way we work will be inevitable as the obligations of the EU Timber Regulation become apparent, so we will fully appraise how best to engage on supply chains in light of the requirements on all actors, and with the needs of current GFTN-UK participants in mind.



BACKGROUND

COMMITTING

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

- To work with WWF to trace all non-credibly certified wood products back to their forest source.
- To phase out all forest sources that are illegal, are the subject of unresolved social conflict, or have high conservation value, unless credibly certified.
- To obtain substantial and increasing volumes of credibly-certified wood and/or paper products.
- To make publicly available a clear statement of timber/paper policy that meets GFTN requirements.
- To submit annually to GFTN-UK a report on their forest product use, including an annual action plan with SMART targets for improvement.
- To comply with the GFTN Rules of Participation and to honour the Participation Agreement, including the agreement on communications.
- To respect the Green Claims Code.

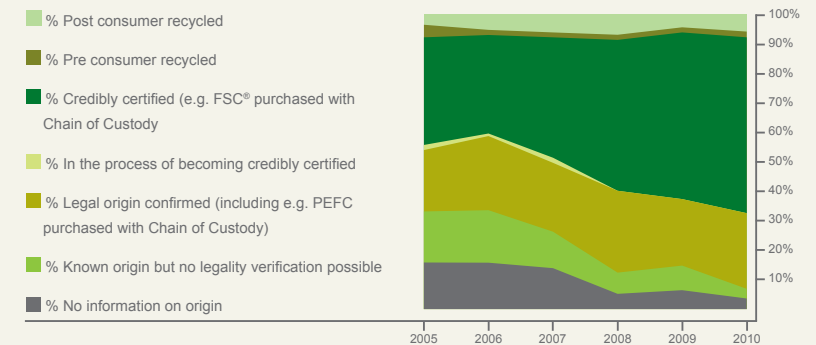
Note: There are several forest certification systems, but only the Forest Stewardship Council currently meets criteria used by WWF to assess a credible independent certification system that ensures forests are managed to provide environmental, economic and social benefits. For more information on the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

REPORTING

A snapshot of the performance of the GFTN as a whole can be gained from 'like for like' figures against the GFTN reporting categories. This is based on figures from all members who have reported to GFTN-UK each year since 2005. The chart provides the trend of performance among this part of the group. There's been an increase in forest goods coming from sources where the legal origin has been confirmed, including credibly-certified (FSC®) and recycled sources. And they've achieved a corresponding reduction in unknown sources and those where the country of origin is known but no verification of legality has been possible.

GFTN-UK participants have reported against a total of 21.98 million Round Wood Equivalent (RWE) cubic metres (m³) in the 2010 reporting year, with an additional 6.8 million RWE m³ being traded by GFTN-UK graduate participants. The overall total of approximately 28.78 million RWE m³ includes UK sourced forest goods purchased by participants.

VERIFYING



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

Since 2005, GFTN-UK has arranged for independent assurance of forest product reports submitted by GFTN-UK participants. This is intended to verify the completeness and accuracy of selected data and information in the reports, and whether GFTN-UK participants have processes in place to collect and collate data on their forest product purchases. 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 verification 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 improve their performance progressively, including the quality of their data submission, via our stepwise process.

Public assurance of the compiled figures for GFTN-UK as a whole is beyond our resources, so we focus on assurance for a selection of GFTN-UK participants, on the advice of our assurance service provider – currently EnviroSense Consulting Limited. The GFTN stepwise approach works by overcoming obstacles to responsible sourcing of forest goods over time. Given 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.

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

THE BUSINESS OF CONSERVATION

We believe that the business community offers one of the most effective routes to finding sustainable solutions to the world's pressing environmental challenges – and that it can make a restorative contribution to our natural world.

But embracing sustainability requires support. WWF has the environmental insights, the political clout and the campaigning power to help companies pursue their sustainable agenda.

We encourage business innovation, smarter regulation from government, and better informed consumers. We're optimistic that this will help businesses flourish within the ecological limits of the planet. We offer our sincere thanks to all the GFTN-UK participants for their work on responsible sourcing of forest goods, and promotion of responsible forest management – work that helps support habitats and the people and wildlife that depend on them.



Forest trade in numbers



03.03.2013

The date when the European Union Timber Regulation to ban illegal timber from the EU market comes into full effect

35

Now with 35 participants, GFTN-UK aims to improve global forest management by using the purchasing power and influence of UK business



31%

of the world's land surface is forest

US\$100BN

The value of wood removed from forests per year, between 2003 and 2007



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.

wwf.org.uk