



GFTN-UK ANNUAL REPORT

SUSTAINABLE FORESTRY: MORE PROGRESS NEEDED

TRANSFORMING THE MARKET

By 2020, there could be a radical transformation in the way the world's forest resources are managed. Leading international businesses have committed to drive deforestation out of their supply chains, and governments and banks have pledged their support. As part of this wider effort to end deforestation and forest degradation, our goal is to create a 100% sustainable timber market in the UK by 2020.

With five years remaining, are actions matching intentions? And, if not, what else needs to be done?

GFTN-UK focuses on the contribution made by UK businesses. This year we published our first Timber Scorecard, which provided a snapshot of UK business action on responsible forest trade.

The results are mixed. Some sectors are being proactive and making good progress – like the construction industry. But others, like the furniture sector, appear to be failing to act. Even within similar sectors there are big gaps between the best performers and the worst.

Action needed

More UK businesses of all sizes, across all sectors, need to source sustainable timber products. However, there are no official incentives in place to encourage them to do so.

Official support is critical. The government must demonstrate that all timber used for public projects is sustainable. It should put in place structured incentives to reward businesses that invest in sustainability.

Businesses themselves should continue to promote the importance and operational benefits of sustainability, and put pressure on their supply chains to meet the standards required.

As a nation, we need to achieve a balance between importing forest goods (or taking forest 'credits' from other parts of the world) and investing in the resources we're using. We must ensure responsible supply, fair treatment of rights holders and local communities, and maintenance of ecosystem services in producer countries. If not, we'll end up with forest 'debts'.

The UK can play its part in ending deforestation globally and creating a sustainable timber market by 2020. But we urgently need to turn commitments into action.

SAVING FORESTS AT RISK

UP TO
170 MILLION
HECTARES OF
FOREST COULD
BE DESTROYED
BY 2030

Every year, an area of forest the size of England is destroyed. In 2015, WWF's *Living Forests Report* identified 11 'deforestation fronts' where up to 170 million hectares of forest could be lost between 2010 and 2030.

They include tropical forests that provide timber for UK businesses, including in the Congo basin, east Africa, Borneo and Sumatra. Concerted action is needed to protect these forests and improve the way they're managed.

The key is in land-use decisions – quite simply, whether a decision is made in favour of responsible stewardship and long-term sustainability. These choices are influenced by many actors: owners and communities planning how to use their land or resources; government economic policies and legal frameworks; investors assessing business risks and returns; corporations managing supply chains and anticipating market trends; and consumers making buying decisions.

In each of these cases, it's essential that properly informed decisions are made. GFTN is committed to presenting both private and public sectors with evidence showing the economic value and ecological importance of healthy forests and the ecosystem services they provide – and raising consciousness of the risks posed to business and society by depleted natural capital.

Each time a business makes a choice to mainstream responsible sourcing – often based on the concept of being 'deforestation free' – we move another step in the right direction. Corporate social and environmental responsibility is an integral part of this process, so we'll continue to work with businesses to show it can be applied in ways that balance the interests of all stakeholders.

The forest products industry as a whole has made strides in recent years. We're seeing better logging practices, serious efforts to keep illegal wood out of supply chains, and growing demand for certified sustainable timber. The industry is also contributing to improved forest governance and social development in producer countries. By harnessing this momentum, and working collectively for positive change, we can reverse the projected trends and save forests at risk.

HOW BUSINESS CAN HELP

STOP ILLEGAL TIMBER, BUY SUSTAINABLE TIMBER, BE TRANSPARENT

Responsible forest stewardship brings significant environmental and social benefits – but it provides direct benefits to business too. As resource availability changes in a dynamic global market, and as regulators, investors and consumers demand increasingly rigorous standards, companies that don't have a sustainable supply chain are liable to suffer in the long term. Acknowledging dependencies and the need for sustainability of forest resources for the future is the starting point on a business journey to promote responsible forest management and trade.

To ensure that companies help to build a sustainable future for forests and people, as well as for themselves, we recommend that they:

- **Publish** and adhere to a clear purchasing policy to prevent illegal timber entering their supply chain.
- **Ensure** all products meet minimum sustainable criteria, while prioritising those already credibly certified as coming from well-managed forests.
- **Embed** a business culture based on the importance of sustainability, while avoiding greenwash.
- **Raise** awareness of sustainability issues with customers, whose buying decisions will further drive progressive change.
- **Report** clearly and transparently on progress towards sustainability targets.

Together we can make a difference in the market and bring about a better future for global forests.

GFTN-UK GOALS

WE WANT THE UK TIMBER MARKET TO BE FULLY SUSTAINABLE BY 2020

GFTN aims to secure a sustainable market for forest goods by working with businesses and supply chains on understanding and overcoming obstacles to responsible forest trade. We've been operating in the UK for more than 20 years.

We want the UK market to have made the transition to full sustainability by 2020. With this in mind, we're focusing on some key areas:

Sign up more participants to our programme

GFTN works directly with businesses to help them make sustainability part of their operations. From supply chain due diligence to guidance in navigating forest issues, and understanding of concepts like 'deforestation free' or 'forest positive', we have a wealth of practical information to share.

Collaborate with trade associations

GFTN can increase impact by reaching out to other businesses, organisations and communities. Our knowledge and experience add value to the support they offer their own networks, considerably increasing our exposure and further spreading best practice. We'll put particular emphasis on sectors that are embarking on the journey to sustainability – furniture is an important example.

Build the market for certified timber

We'll look for new avenues to influence the sourcing of tropical timber coming into the UK market. We want to increase the take-up of tropical timber from credibly-certified forests, with more diverse species in more diverse applications.

Support sustainable forest management globally

As well as our work in the UK, we'll concentrate on raising funds for GFTN activities in producer countries. We want to engage people on the ground in the most important places for people and nature and get them involved in sustainable forest management.

Promote transparency

Transparency is a critical tool to drive better business performance on responsible forest trade and get more global forest resources onto a sustainable trajectory. In 2017 and 2019 GFTN-UK will conduct two further Timber Scorecard assessments on the policy and performance of UK business in the run-up to 2020. And we'll continue to focus efforts on areas that will make the most difference to the UK forest footprint.

CURRENT PROGRESS

Each year we report progress against our shared goal of eliminating illegal, controversial or otherwise undesirable timber sources from the market. All our participants are required to release their forest product report figures on an individual basis. Each year we also review a selection of the results independently to confirm they're complete and accurate.

UK IMPORTS OF FOREST PRODUCTS WERE WORTH OVER £7 BILLION IN 2014 ALONE

For the 2014 reporting year, current participants reported against a purchase of 9.1 million cubic metres of roundwood equivalent (RWE m3) of forest products – an increase of 0.65 million RWE m3 since 2013. A further 2.46 million RWE m3 of forest products was managed by our advocate participants (who continuously maintain a high performance bar of over 95% sourcing of credibly certified and recycled goods in their business). This brings the total RWE m3 volume covered by GFTN-UK in 2014 to 11.58 million m3 RWE. By comparison, total UK timber imports in 2014 were around 63.5 m3 RWE.

GFTN participants are progressively reducing the UK's forest footprint at home and abroad. Our control group of participants have achieved an encouraging average increase of 5.8% in credibly certified and recycled forest products over the last year. As responsible businesses send a consistent message that they want only goods from well-managed forests or recovered sources in the long term, it influences more suppliers in many countries to change their sourcing practices.

We've shared more detail on some of our participants' reporting overleaf, along with more information on why they've each committed to responsible forest trade.

You can find out more about GFTN-UK and access our 2014-2015 report at wwf.org.uk/gftn



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

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THRIVING FORESTS: ACTION FOR RESPONSIBLE FOREST TRADE

What the reported figures mean

Participants in GFTN commit to source an increasing proportion of credibly certified and/or recycled forest products. They collect information on their supply chain sources and assess them using the GFTN categorisation of forest goods. The results show how much of the total volume of product that each company has reported sourcing (over the last five years) can be allocated within the following categories.

Source assessed: timber was harvested, produced, transported, traded and exported as required by the laws of that country of origin with respect to the trade in timber and timber products.

Source verified: timber originated in forests evaluated for legality and traceability criteria. A third party evaluated the environmental and social aspects of the forest

management and issued verification, via one or more of the following standards or programmes: FSC Controlled Wood; PEFC; other forest certification schemes; forest operations in stepwise certification programmes where third-party verification of performance progress has taken place.

Credibly certified: timber originated in forests that have been independently assessed and certified as being legal and well managed: that is, they are managed in an environmentally responsible, socially beneficial and economically viable manner. Currently, only the Forest Stewardship Council satisfies WWF's criteria for this reporting category.

Pre and post-consumer recycled: the material is verified as pre or post-consumer recycled.



- 2014 SOURCE ASSESSED
- 2013 SOURCE VERIFIED
- 2012 CREDIBLY CERTIFIED
- 2011 RECYCLED (PRE AND POST-CONSUMER)
- 2010

CANAL & RIVER TRUST

Canal and River Trust is totally committed to the procurement of sustainably sourced timber. Commitment from senior management at the very highest level is matched by the knowledge and enthusiasm of staff throughout our organisation. Today over 97% of our purchases are credibly certified, which highlights our hard work over many years and the fantastic support received from WWF and the GFTN group. We want to continue to play our part in promoting sustainable timber and become an exemplar organisation for our sector.

ARGOS

Argos Ltd has set a stretching target to increase the proportion of certified timber in Argos products by 2020. We are taking steps with our key suppliers of timber products to understand the feasibility of converting existing ranges to timber from a credibly certified source. At the same time, the digital revolution continues to alter the way our customers communicate, learn and shop: all our paper publications, including the Argos catalogue, are printed on recycled or certified paper, but the volume is reducing year on year.

BOOTS UK

Boots UK has been a GFTN member since 1995. In 2014, we sourced 84% of our wood, pulp and paper from credibly certified or recycled materials, exceeding our company target to source 75% by 2016. We're continuing to work with our global sourcing teams to increase the supply of FSC-certified products in key regions such as the Far East. For example, our Hong Kong office coached and encouraged a new supplier of wooden brushes to invest in FSC certification. The new products were successfully launched in 2015 under the Boots 'Botanics' brand – showing how supply chain collaboration can benefit business and the environment.

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REDROW HOMES

Being part of GFTN has reinvigorated our development and procurement monitoring, and last year, 99.82% of timber used on our sites came from a third-party verified source. We'd like all our timber to be FSC certified, but the construction industry faces a shortage of certified materials, such as roof trusses, for the mass market. Our goal is that 65% of our timber will be FSC certified by 2020. Ideally, we'd like all timber entering Europe to be FSC certified: we'll work with WWF and GFTN to strengthen timber regulations so we can meet and one day exceed our goals.

TRAVIS PERKINS

Our position between the end user and the producer makes it especially important to be as clear about the source of our timber products as possible. This last year, 97% of what we purchased was source verified. We have thousands of trading accounts for timber and timber products and more than 500 timber buyers, so that's some achievement. Buying responsibly started as being the right thing to do: it's now a commercial necessity, and one which business just gets. It's hard to think of a better measure of progress.

We've shared only a small selection of current GFTN participants' performance reporting here. For the complete GFTN participant list and links to their performance reports, please go to www.org.uk/gftn