

TIMBER SCORECARD 2019 : FAQ



WHAT IS THE TIMBER SCORECARD?

The 2019 Timber Scorecard – the last in a three-part series – assesses businesses on their timber product sourcing policies and performance and assigns each a score from 0 Trees (no/limited evidence of policies in place) to 3 Trees (performing well against procurement policies). In doing so, the Scorecard aims to stimulate further transparency, inform consumers and support national and international commitments in the procurement of sustainably sourced timber products. It follows previous scorecards in 2015 and 2017, tracking the market’s progress towards sustainability by 2020. The 122 brands included in the 2019 Scorecard represent the public face of an industry and can therefore provide an insight into how a sector is performing overall.

It has been four years since the publication of our first Timber Scorecard, so it is important to gauge which organisations and sectors have stepped up to fight deforestation and which have not, and what conclusions can be drawn from this. The business community can play a vital role in guaranteeing forest resources are well-managed, while at the same time ensuring their own supply chains are significantly more resilient for the future.

WHY HAS THE TIMBER SCORECARD BEEN PRODUCED?

The continued loss of the world’s forests poses a huge threat to the health of our planet. Deforestation and forest degradation alone is responsible for 10-11% of global greenhouse emissions, while also significantly contributing to the loss of biodiversity and damage to social stability.

The private sector plays a significant role in influencing global deforestation. We believe it is important for government, peers and consumers to understand which companies have recognised the impact their supply chains may be having on the world and have made the decision to address it. We will use the report to draw attention to the responsibilities of all companies to ensure the products they buy and sell are not contributing to deforestation.

HOW HAVE COMPANIES BEEN SCORED?

Each company has been assigned a preliminary ‘tree index’ rating of between 0 and 3 according to what is publicly available in terms of:

- Timber purchasing policy and what it says. Higher scores are awarded for clear, comprehensive policies with time-bound targets.
- Which areas of the organisation’s procurement operations the timber purchasing policy covers e.g. goods-not-for-sale, office paper, furniture etc.
- Environmental performance statement and what it says. Higher scores are awarded depending on the proportion of your organization’s timber and wood products that are certified and/or from recycled sources.

- Timber and wood product sourcing data which details the procurement breakdown of one or more of the following:
 - Recycled material
 - FSC certified
 - PEFC certified
 - Certified under other credible certification schemes
 - Legal and traceable
- Evidence of company engagement with key stakeholders – including suppliers and customers – on the importance of sustainable forest-product sourcing.
- Company statement on commitment to EUTR compliance.

SO, DOES THIS MEAN WWF CONSIDERS F.S.C. AND P.E.F.C. CERTIFICATION SYSTEMS TO BE EQUALLY CREDIBLE?

WWF considers FSC to be the most robust certification system to ensure environmentally responsible, socially beneficial and economically viable management of forests. Independent research also confirms that's FSC certification has positive impacts on the environment, social development and governance.

However, the Timber Scorecard aims to illustrate which companies and sectors are showing clear signs of progression towards 100% sustainable timber product sourcing. To ignore the amount of PEFC certified materials being sourced would result in an unfair portrayal of how far each company and sector has progressed. WWF will continue to urge companies to source FSC certified timber materials as an end goal but, in this instance, must recognise a company's efforts in monitoring the source of their timber products, eliminating illegal practices from supply chains and implementing measures to ensure products are sourced sustainably.

To explain further, by “sustainable” we mean timber and timber products that have been verified as coming from forests which are managed in an environmentally responsible, socially beneficial and economically viable manner, which also meet legal requirements. To achieve that goal, we expect companies to commit to only trade in recycled, credibly certified and other credible verified sustainable products; and to monitor and report on that commitment.

HOW IS THE 'TREE INDEX' RATING ASSIGNED?

We assign a 'tree index' rating using the following definitions, which gives an indication about a company's performance:

3 Trees

A total of 42 companies scored a 3 Tree rating in 2019. This means companies have public commitments to sourcing timber and paper products sustainably - specifically indicating priority given to using FSC and recycled materials – and put this in context with the role and requirements of the EUTR. They have set up policies and control systems. They report openly and accurately about their performance against their policy commitment and have a good understanding of the source of all their timber and timber products. They are sourcing

at least 70% of material from certified and/or recycled sources. They are showing their competitors that it is possible to act responsibly when it comes to forest trade.

2 Trees

A total of 24 companies scored a 2 Tree rating in 2019. Companies in this category have made a start on the journey to sustainable timber and timber products have made good progress. These companies have made commitments to sourcing FSC, PEFC or recycled products and have established control mechanisms over their use of timber and timber products.

1 Tree

A total of 14 companies scored a 1 Tree rating in 2019. These companies are only just starting to address the sustainability of their timber and timber products. Businesses have the bare bones of policies and systems in place, but they have yet to put in the work needed to transform their businesses. They have limited publicly available information on their actual purchasing practices or the proportion of certified/recycled timber and timber products being sourced.

0 Trees

A total of 41 companies scored a 0 Tree rating in 2019. These companies have failed to show any progress on sourcing sustainable timber and timber products. They have communicated little if any useful information as to their purchasing policies, and the proportion of certified or recycled product purchased or the source of their timber products. These companies urgently need to change their timber and timber product sourcing reporting practices, if they are going to keep up with their competitors and become responsible corporate citizens. There is no excuse for inaction.

HOW DID WWF ENGAGE WITH COMPANIES?

Following a preliminary assessment of each of the 122 company's publicly available sourcing information, we produced a preliminary tree index rating and communicated this to them. To ensure the final score most accurately reflects a company's efforts to source responsibly, we invited each company to either update relevant information or send through any information we may have missed. To help guide the feedback, we provided a summary of the metrics used in our assessment and gave each company three weeks to respond.

Following this engagement, we concluded our review with a final assessment that ultimately produced a final tree index rating for each company (which can be found in Final Scores section of the report). We communicated this score to each company prior to the publication of the 2019 Timber Scorecard.