



# **TIMBER SCORECARD 2017:** **SUSTAINABILITY PROGRESS** **AMONG BUYERS OF TIMBER** **AND WOOD PRODUCTS**





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June 2017

#### Timber scorecard 2017: sustainability progress among buyers of timber and wood products

This is WWF's second timber scorecard. It measures and records the progress of companies towards sustainable timber procurement – to help secure a resilient future for global forests.

We will produce a further scorecard in 2019 to monitor further progress and present a clear picture for the public of just which businesses are doing their part for a better future for forests, people and nature.

We offer support for UK companies, with tools and guidance to help them improve their policy, procurement and reporting, to ensure responsible forest management and trade in the places they source from.

At WWF, we want a world enriched by extensive, resilient forest landscapes that benefit biodiversity, people and climate. The business community can play a vital role in ensuring forest resources are well-managed.

You can contact us about this work area by emailing [gftn@wwf.org.uk](mailto:gftn@wwf.org.uk)

#### About WWF-UK

We want a world with a future where people and wildlife can thrive. So we're finding ways to help transform the future for the world's wildlife, rivers, forests and seas in areas we regard as particular priorities. We're pushing for a reduction in carbon emissions that will avoid catastrophic climate change. And we're pressing for measures to help people live sustainably, within the means of our one planet.

Find out more about our forests work at [wwf.org.uk/forests](http://wwf.org.uk/forests)

#### About the consultant

Jon Grayson has supported WWF with a number of scorecards since 2011, most notably around the soft commodity space (oil palm and soy). Since 2006, his work has included aspects of forestry finance and supply chains.

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## AT A GLANCE: WWF'S FOREST CAMPAIGN

Our campaign aims to:

- galvanise businesses and governments to take action to enable the transition to a market in sustainable forest goods by 2020.

We're calling on UK businesses to support our call to action by:

- pledging to buy timber products from sustainable sources by 2020;
- calling for the EU to close the loopholes in its Timber Regulation;
- supporting the transition to a 100% sustainable timber market by 2020.

## AT A GLANCE: WWF'S TIMBER SCORECARD

During this scorecard process we:

- assessed 128 companies on their progress towards sustainable timber;
- captured key sectors such as construction, home builders, paper/printing and publishing, general retailers and furniture retailers;
- reached out to companies during January and March 2017 on their performance during 2015 and 2016.

We reviewed each company and assigned a **tree index** rating of between 0 and 3 according to what is publicly available in terms of:

- timber purchasing policy and what it says;
- performance statements, and what they say;
- claims made about responsible sourcing of timber or similar, and what they say.



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# EXECUTIVE SUMMARY

WWF’s Timber Scorecard measures the biennial progress on sustainability made by buyers of timber and wood products. It supports our campaign to prevent unsustainable timber from entering the UK market, with the aim of a sustainable forest products market by 2020.



To achieve this, we have called on many UK businesses to pledge to buy timber and wood products from sustainable sources and make public their support of our campaign to transition to a 100% sustainable UK market. To measure the progress companies are making towards this sustainable future, we reviewed 128 companies trading in the UK. This is our second such review, the first was published in 2015.

The review focuses on each company’s policy for sourcing sustainable timber, their claims on purchasing sustainably verifiable timber or wood products, and their performance measured against their stated commitment. Our scorecard awards each company a score from ‘zero trees’, with no apparent progress on sustainable timber or wood products, to ‘three trees’, awarded to companies that source more than 70% certified sustainable wood and have policies and control systems in place.

This scorecard shows that:

- 27% of companies reviewed – those scoring ‘one tree’ – are still only taking limited action to guarantee that the timber or wood products they sell are not contributing to deforestation or illegal logging. They may have a policy, but they do not indicate progress against it, or at least not in a meaningful or context-based way.
- 23% of companies reviewed – those scoring ‘zero trees’ – are entirely failing to disclose their policies and performance.
- Sectors such as construction, homebuilding, and printing/publishing are visibly ahead of other sectors. They demonstrate a strong ongoing commitment to sustainable sourcing with year-on-year performance improvements.

- More than half of the 30 companies in the scorecard that scored zero were furniture retailers. There are many ways these companies could improve their performance and how they communicate their sustainability credentials to consumers.
- The larger UK companies, multinationals and those that rely on timber as an essential raw material are more likely to have robust policies and performance monitoring in place and score well. There is an important role for trade associations to support their members proactively at the smaller scale by offering technical assistance and capacity building.

That said, 50% of all companies reviewed scored either three or two trees, which demonstrates they are making good progress. These companies were generally a lot more responsive in responding to our requests on the Timber Scorecard this year. Many are taking proactive steps to update their annual performance and are fully supporting our forest campaign.

Among the companies that achieved top scores are: Carillion, Kimberly-Clark Europe, Marks & Spencer, Penguin Random House, Redrow and Travis Perkins. A few companies that we included for the first time this year scored three trees, including Bellway, Hachette UK, and Bensons for Beds (Steinhoff).

Overall, many companies must transform their approach if they are to stand any chance of securing a 100% sustainable UK market for timber and wood products by 2020.



# BACKGROUND





# A VALUABLE COMMODITY

The world's forests perform many critical functions both globally and locally. They are fundamental to regulating the Earth's climate, preserving rich levels of biodiversity and providing prosperity for many local communities.

Today many of the world's natural forests have been lost. The majority of losses have occurred over the last 100 years. Although there are a variety of reasons for the continued destruction of natural forests, illegal logging poses a significant threat to global forest resources. It contributes to deforestation, causes loss of biodiversity and erodes the rule of law. It undermines responsible forest management, encourages corruption and tax evasion, and reduces the income of producer countries. Cheap imports of illegal products also distort market pricing and investment prospects. And they have social implications, threatening the jobs and livelihoods of people who depend on forests for their survival.

At WWF, we believe that if companies practise sound forest management and responsible wood sourcing, it is possible to supply the world's timber needs as well as maintaining biodiversity.

## 2020 TARGET: ZERO NET DEFORESTATION AND FOREST DEGRADATION, AND OUR FOREST CAMPAIGN

We advocate zero net deforestation and forest degradation (or ZNDD) globally by 2020. This means no net forest loss through deforestation and no net decline in forest quality through degradation, while allowing for some limited and carefully controlled clearing for agriculture and settlements across the developing world. We believe that the projected demand for food, fuel and fibre can be met without further net forest loss by improving forest stewardship and making land use more productive. As part of this, we are running a forest campaign that is encouraging UK businesses to shift 100% of their trade in timber and timber products to legal, sustainable sources by 2020.

If companies source all their timber and wood products from well-managed forests, they can be confident that they are working towards this widely shared zero net deforestation goal and not contributing to deforestation or unsustainable harvesting – and the negative impacts these have on people, nature and climate.

## UK TIMBER SUPPLY AND DEMAND

Higher demand for renewable materials, whether driven by technology, legislation, policy or personal choice, leads to greater use of timber-based products. There is a strong and vibrant forest industry in the UK, but it cannot supply the domestic demand for timber and forest products.

The UK is the third-largest importer of forest products in the world. It is important for UK companies that import timber and wood products to know where these come from.

The majority of softwood timber material is imported from Scandinavia, eastern Europe and Russia. The vast majority of hardwood timber and timber products originate in south-east Asia and parts of central and western Africa, with significant quantities of temperate hardwood imported from the US and Russia.



FORESTRY HAS  
A KEY ROLE IN  
MAINTAINING THE  
PLANET'S NATURAL  
CAPITAL

## IMPACTS OF UNSUSTAINABLE FOREST MANAGEMENT

Sustainably managed forests can help to reduce carbon dioxide levels and support forest-dependent communities, as well as protecting vital biodiversity and other ecosystem services. But the advantages offered by timber and wood products can be undermined where forests are managed in an unsustainable way that has detrimental social and environmental impacts:

- Over-harvesting of forest resources reduces the value of forests and the goods and services they provide, jeopardises people's livelihoods, and threatens the long-term availability of a wide range of products that we use daily in our homes and businesses.
- Deforestation and unsustainable forestry practices fuel climate change by depleting carbon stores and releasing carbon dioxide into the atmosphere.
- Irresponsible forest operations may violate people's rights around labour issues, land ownership and access, including the rights of indigenous peoples – some 60 million of whom live in forests<sup>1</sup>.
- Indiscriminate timber harvesting can have a significant impact on biodiversity – over half the world's terrestrial biodiversity is dependent on forests.
- Illegal logging deprives developing countries of an important source of revenue and future income.
- Water cycles that are disrupted as a result of deforestation can lead to localised flooding and droughts.

## TIMBER AND THE CARBON CYCLE

Timber can contribute significantly to tackling climate change thanks to the carbon sink effect of the forests, the carbon storage of the timber and when timber is used instead of carbon intensive materials. Using wood from sustainably managed forests reduces carbon dioxide emissions, as the carbon dioxide stored by the forest and in the timber product outweighs any carbon dioxide created during the production of the product. Each tonne of timber used instead of other building materials – such as steel or concrete – saves around a tonne of carbon dioxide.

Carbon, and especially CO<sub>2</sub> emissions, are recognised as a key factor in climate change. In the UK, 40% of all carbon emissions come from buildings, split evenly between domestic and commercial.

Industry drivers such as corporate social responsibility, brand management and ethical trade are now an integral part of the way we construct buildings in the UK. Timber-based construction products are ideally placed to deliver on such aims. Timber can be sourced responsibly; it is a flexible and adaptable material that can be used efficiently; and at the end of its life it can be reused, recycled or the energy within it recovered.

## WOOD IS RENEWABLE, RECYCLABLE AND BIODEGRADABLE



<sup>1</sup> UN <http://www.un.org/sustainabledevelopment/blog/2015/05/what-role-do-indigenous-people-and-forests-have-in-a-sustainable-future/>



# METHODOLOGY





# TIMBER SCORECARD METHODOLOGY

## WHY DO A SCORECARD?

This Timber Scorecard rates a wide selection of UK retailers, manufacturers and traders that buy timber and wood products.

This is our second Timber Scorecard, and we hope it helps to continue the momentum among companies towards procuring responsible timber. It also charts progress for some companies against their performance in our previous scorecard.

## SELECTING THE COMPANIES

We identified 128 companies that depend significantly on wood in the products they use or sell, or that are brands whose sustainability actions should extend to these products. They represent a wide cross-section of UK companies – from construction companies to high street retailers; from publishers to musical instrument manufacturers. They also vary in size from medium-sized companies to UK majors and multinationals.

In total, 98 companies (77%) also featured in our 2015 scorecard. This allows us to shine a spotlight on the actions these companies have taken. We have extended the list of retailers to include 22 additional furniture retailers, following our ‘Are you sitting comfortably?’ report on the furniture sector in October 2016. We’ve added the home builders sector, with five further companies. Finally, we’ve added three more companies from the paper, printing and publishing sector. We decided to omit the majority of the smaller companies that were reviewed but not publicly rated in the 2015 scorecard to focus on major brands and add new companies in other sectors.

## WHAT THE SCORECARD MEASURES

Our Timber Scorecard reviews and rates how companies demonstrate their overall commitment to sustainable timber procurement, and how this commitment to action and performance has evolved since 2015. By ‘sustainable’ we mean timber and wood products that have been verified as coming from forests which are managed in an environmentally responsible, socially beneficial and economically viable manner, and that meet legal requirements.

Our review process looked for:

- The existence, availability and quality of the content of a business’s policy on timber and wood product sourcing;
- Statements on having a system in place to trace the timber and wood products used/bought to ensure legality and sustainability.
- Statements on a commitment to comply with the EU Timber Regulation.
- A current statement or claim of a company’s performance in timber and wood product sourcing vis-a-vis responsible, ethical, sustainable or verified purchasing or procurement undertaken by their business. This would typically be verified confirmation of the volume of certified timber or wood products that have been purchased in the most recent complete year (2015).
- A current statement on sourcing performance, comparable to, or using the same criteria as used for participants of WWF’s Global Forest & Trade Network (GFTN), such as the percentage of timber/wood products purchased which are:
  - recycled material
  - FSC certified (with full chain of custody)
  - PEFC or other credible certification scheme (with full chain of custody)
  - legal and traceable
  - a mix of any of the above.
- Confirmation of what proportion of the company’s total supply chain use of timber and wood products was certified and/or recycled.

The scorecard seeks to assess what has been purchased across a company’s entire business footprint, not just whether a supplier has a chain of custody certificate for part of it.

## HOW WE ASSESSED THE COMPANIES

We notified companies of their inclusion in January 2017 and did an initial review in February. In early March, companies were sent a copy of their draft score and were invited to respond with additional information to complete the review process, highlighting any information that had been overlooked that points to their policies and practices, with a four-week window for responses. We used contact details we had for specific individuals, or called each business to ascertain this where we didn’t. As a last resort we wrote to chief executives for some companies about the scorecard, where we felt we did not have reliable email contact information. We sent reminders throughout the period, and used a certified email tracking service to help confirm the mail delivery and mailbox receipt of emails sent to reach the company contacts.

Once we had received any incoming information, we assigned a final score and communicated this individually to companies.

We did our utmost to be consistent in how we approached company searches, to assess the availability and accessibility of information on policies, sourcing, monitoring and performance. We reviewed both retail and corporate websites and carried out browser searches based on keyword information. We reviewed annual reports, sustainability and corporate social responsibility reports.

Where a company was part of a larger group, we tried to obtain information on group policies that applied. For multinationals, we were particularly looking for performance that applied to the UK market.

In this scorecard review, we have not awarded points where information was not published on the company website. We have also taken a stricter approach with companies where there has been no visible reporting since 2014 or where the reader is left in doubt over the actual performance.

While we did our best to contact the companies to ensure that they were aware the review process was under way, there were a few cases where the communications were not passed on internally to the person responsible and companies were not able to respond in time for the review. There were also cases where we dealt directly with companies that confirmed they would send information, but failed to do so.

## OUR SCORING SYSTEM

We awarded companies a numerical score for each aspect of their policy, reporting and performance. Each company was then assigned a ‘tree rating’ of between 0 and 3, according to what is publicly available in terms of:

- timber purchasing policy and what it says
- performance statements, and what they say
- claims about responsible sourcing of timber or similar, and what they say.

We recognise and support voluntary certification schemes, in particular FSC, so companies that reported on sourcing materials with a high FSC proportion overall scored highly. Low scores were given to companies that failed to publicly share specific policies or procedures on sustainable sourcing, or relevant policies that clearly encompassed the issue in lieu of a specific sourcing policy.

## DISCLOSURE AND CONFIDENTIALITY – HOW WE SCORED DIFFERENTLY IN 2017

In contrast with our 2015 Timber Scorecard, in the 2017 scorecard we did not plan to undertake a review that would allow companies a period in which to first share undisclosed information, and then make it public in time for review. So we did not award intermediary scores, or \* scores, for materials shared confidentially with WWF, for example suggesting that a 1 tree \* would have been a 2 trees score if undisclosed information had been made publicly available.

On this occasion, given that the majority of the companies reviewed had been through a previous timber scorecard engagement, we decided to focus on rating full transparency and public disclosure. Transparency in supply chains and sourcing and clear, public reporting are important steps in developing and demonstrating sustainability.



We also only considered very recent and current information, so we only took into account verified performance information for 2014 or later (for complete years and with an indication that this covers the total or what proportion of purchases made, and only current policies and communications).

It is possible that some companies may be performing well in sourcing sustainable timber and wood products, but failing to share this information publicly. But because this scorecard only focuses on information that is publicly available, their score potentially reflects this.

### A NOTE ON THE EU TIMBER REGULATION

As part of our review we checked whether companies had a public statement of compliance with the EU Timber Regulation (EUTR). The EUTR only considers the legality of the timber, rather than wider sustainability risks that are assessed as part of a responsible timber sourcing policy, so a statement of EUTR compliance is not a substitute for a robust policy. Companies that trade in products which fall outside of the scope of the EUTR are not legally obliged to carry out due diligence to ensure their products are legally sourced.

The regulation seeks to eliminate illegal timber from the European market and requires compliance for certain timber products. However, not all products are within scope. For example, while some furniture items are covered by the regulation, others are not; and printed materials including books are currently omitted. Musical instruments are also not covered. These loopholes allow illegal sources to continue to make it unchecked on to the market.

### OUR NEXT SCORECARD

Sustainability is a journey: the only way to assess how far companies have travelled on that journey is by continuing to measure and review performance. To encourage companies to improve their scores, we will repeat this research in 2019. It is well overdue that poor performers step up and take urgent, targeted action to demonstrate they are taking responsibility for their footprint on forests.





# HOW THE COMPANIES SCORED





# SCORE DEFINITIONS

As in our previous Timber Scorecard, we apply a *tree index* rating using the following definitions, which gives an indication of a company’s performance:



PERFORMING WELL

### 3 TREES

These companies are **performing well** against the requests WWF makes to businesses regarding the purchasing of timber and wood products. Most have **public commitments specifically indicating that they give priority to using FSC** and recycled timber and wood products, 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 wood products. They are **sourcing over 70% certified material**, with **high proportions of FSC and recycled timber** and wood products. These companies are well along the journey to complete the transition to 100% sustainable timber and wood products by 2020. They are showing their competitors that it is possible to act responsibly when it comes to forest trade.



GOOD PROGRESS

### 2 TREES

Companies in this category have **made a start** on the journey to sustainable timber and wood products – and in some cases they 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 wood products. They **report openly and accurately about their performance** against their policy commitment. They are **sourcing 20-60% material** from a mix of certified and recycled sources.



JUST STARTING

### 1 TREE

These companies are **only just starting** to address the sustainability of their timber and wood products. Some 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 or recycled timber and wood products being sourced. Given that FSC and recycled material and other certified timber and wood products are readily available in the market, we urge these companies to engage much more actively with the issue than they have to date – and quickly.



NO REPORTED ACTION

### 0 TREES

These companies have **not yet shown real progress** on sustainable timber and wood 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 wood product sourcing and reporting practices if they are going to keep up with their competitors and become responsible corporate citizens. **There is no excuse for inaction.**

# COMPANY PERFORMANCE

The overall response rate was considered good – 73 companies (57%) of the 128 companies we contacted replied to our correspondence with a range of additional supporting information. Among non-respondents, 14 had previously scored 3 trees, so perhaps felt no need to provide additional responses to the process. However, at the 0 trees end, there were also 19 non-respondents.

Of the 128 companies, 25 (20%) **improved their score during the review process**, taking into consideration new published materials.

The 2017 scorecard review paints a split picture – exactly half the companies (64) scored either 2 or 3 trees, which is good news and shows these brands and sectors are taking action to move to more sustainable supply chains for their timber products. But the other half are lagging behind on the pressing need to take action

for global forests. Sadly, 30 (23%) scored 0 – and **15 of these had also scored 0 in the 2015 scorecard** – showing they have kept their heads in the sand over their responsibilities in this area.

As a sector, retailers (both general retailers and furniture retailers) make up the lion’s share (53%) of companies reviewed, followed by print and publishing (25%), construction and timber combined (12%) and home builders (5%).

# INDIVIDUAL COMPANY RESULTS: COMPANY TABLES

Companies in the following tables are presented alphabetically based on their final tree score. As we do not have access to, or have not reviewed, detailed data sets in this exercise, we cannot rank companies according to performance within each tree level. We have highlighted which companies appeared in the first Timber Scorecard in 2015 and how they have improved their score.

These ratings are a snapshot in time and we strongly recommend that readers should visit company websites to check for more of recent information, performance disclosure and accessibility.

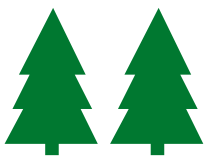




40 COMPANIES THAT SCORED 3 TREES

These ‘3 tree’ companies are the top performers, according to their publicly available information. They can be characterised by the **clarity and simplicity with which they report their timber and wood product purchasing and performance**. Most of them declare the proportion of certified timber they purchased, with a strong preference or purchasing performance for FSC, and most indicate how this performance has changed and progressed in recent years following the review in 2015.

|  | COMPANY   | CATEGORY                       | RESPONDED |
|--|---|--------------------------------|-----------|
| Companies that maintained their 3 trees position from 2015 | B&Q UK (Kingfisher)                                     | Retailer                       |           |
|  | Boots UK Ltd  | Retailer                       |           |
|  | Brooks Timber   | Timber                         | *         |
|  | Carillion   | Construction                   | *         |
|  | Danzer  | Timber                         | *         |
|  | Immediate Media   | Paper, printing and publishing | *         |
|  | Sainsbury’s   | Retailer                       |           |
|  | James Latham  | Timber                         |           |
|  | Kimberly-Clark  | Paper hygiene                  | *         |
|  | Kingfisher  | Retailer                       |           |
|  | Lend Lease  | Construction                   |           |
|  | Mace Group  | Construction                   | *         |
|  | Marks & Spencer   | Retailer                       | *         |
|  | Mondi   | Paper, printing and publishing |           |
|  | Office Depot UK   | Furniture                      | *         |
|  | Penguin Random House                                    | Paper, printing and publishing | *         |
|  | Redrow  | Home Builders                  | *         |
|  | Saint-Gobain Building Distribution UK                   | Timber                         |           |
|  | SCA Hygiene   | Paper hygiene                  | *         |
|  | Sofidel   | Paper hygiene                  |           |
|  | Steinbeis Papier  | Paper, printing and publishing | *         |
|  | Tetra Pak   | Paper, printing and publishing | *         |
|  | The Co-operative  | Retailer                       |           |
|  | The Solid Wood Flooring Company                         | Timber                         | *         |
|  | Travis Perkins PLC (incl. Wickes)                       | Construction                   | *         |
|  | Waitrose  | Retailer                       | *         |
|  | Willmott Dixon  | Construction                   |           |
|  | Morrisons   | Retailer                       |           |
| Companies that improved their score to 3 trees             | Antalis   | Paper, printing and publishing | *         |
|  | Balfour Beatty  | Construction                   |           |
|  | HarperCollins   | Paper, printing and publishing | *         |
|  | Haymarket Media Group                                   | Paper, printing and publishing |           |
|  | IG Design Group plc (prev. International Greetings plc) | Paper, printing and publishing | *         |
|  | SKY   | Media                          | *         |
|  | UK Greetings  | Paper, printing and publishing | *         |
|  | WH Smith  | Retailer                       | *         |
| Companies rated for first time and gained 3 trees          | Bellway   | Home Builders                  | *         |
|  | Bensons for Beds (Steinhoff)                            | Furniture                      | *         |
|  | Hachette UK   | Paper, printing and publishing | *         |
|  | Homebase (Bunnings UK)                                  | Furniture                      | *         |



24 COMPANIES THAT SCORED 2 TREES

The companies scoring 2 trees are **continuing to make progress** on the journey to sustainable timber and wood products. They have made commitments to sourcing FSC, PEFC or recycled products and have established control mechanisms over their use of timber and wood products. They are likely to be sourcing between 20% and 60% of their material from a mix of certified and recycled sources, and will have begun to report on quantities and the source of their timber products.

|  | COMPANY                                | CATEGORY                       | RESPONDED |
|--|--|--------------------------------|-----------|
| Companies that maintained their 2 trees position from 2015 | Argos (Sainsbury’s)                    | Retailer                       | *         |
|  | ASDA                                   | Retailer                       | *         |
|  | Cambridge University Press             | Paper, printing and publishing | *         |
|  | Crest Nicholson                        | Construction                   |           |
|  | IKEA                                   | Furniture                      | *         |
|  | John Lewis                             | Retailer                       | *         |
|  | McDonald’s                             | Restaurants                    | *         |
|  | Network Rail                           | Infrastructure                 | *         |
|  | Pearson                                | Paper, printing and publishing | *         |
|  | Pureprint Group                        | Paper, printing and publishing |           |
|  | Tesco                                  | Retailer                       | *         |
|  | Timber Link International              | Timber                         | *         |
| Companies that improved their score to 2 trees             | Bauer Media                            | Paper, printing and publishing |           |
|  | Forest Enterprise, Forestry Commission | Timber                         | *         |
|  | Harveys Furniture (Steinhoff)          | Furniture                      | *         |
| Companies rated for first time and gained 2 trees          | Barratt Development                    | Home Builders                  | *         |
|  | Berkeley Group                         | Home Builders                  | *         |
|  | Bramblecrest                           | Furniture                      | *         |
|  | Nobia UK (incl. Magnet)                | Furniture                      | *         |
|  | Time Inc.                              | Paper, printing and publishing |           |
| Companies that slipped back from 3 trees in 2015           | BSW Timber Group                       | Timber                         |           |
|  | Hallmark Cards                         | Paper, printing and publishing | *         |
|  | Macmillan Publishers                   | Paper, printing and publishing | *         |
|  | Williams Lea                           | Paper, printing and publishing | *         |





34 COMPANIES THAT SCORED 1 TREE

These companies are potentially **only just starting to address timber sustainability**. There is an absence of performance information being publicly shared (or at least in a way that would enable meaningful appraisal of their business performance). It is likely that though some have the bare bones of policies and systems in place, none are yet using an appropriate level of certified or recycled timber. Information is often scarce and they lack disclosures on their actual purchasing performance.

|   | COMPANY                            | CATEGORY                       | RESPONDED |
|---|------------------------------------|--------------------------------|-----------|
| Companies that maintained their 1 tree position from 2015     | Bloomsbury Publishing              | Paper, printing and publishing |           |
|   | Debenhams                          | Retailer                       |           |
|   | Early Learning Centre (Mothercare) | Retailer                       |           |
|   | Feather & Black                    | Furniture                      | *         |
|   | Furniture Village                  | Furniture                      |           |
|   | House of Fraser                    | Retailer                       | *         |
|   | Laura Ashley                       | Retailer                       | *         |
|   | Matalan                            | Retailer                       | *         |
|   | Next                               | Retailer                       | *         |
|   | The White Company                  | Retailer                       |           |
|   | Yamaha                             | Musical instruments            | *         |
| Companies that improved their score to 1 tree                 | Clinton Cards                      | Paper, printing and publishing |           |
|   | Finnish Fibreboard                 | Timber                         | *         |
|   | Hamleys                            | Retailer                       |           |
|   | Jansen International               | Furniture                      |           |
|   | Muji                               | Paper, printing and publishing | *         |
|   | Oak Furniture Land                 | Furniture                      | *         |
|   | Paperchase                         | Paper, printing and publishing | *         |
|   | Sportswift (Card Factory)          | Paper, printing and publishing | *         |
|   | The Great British Card Company     | Paper, printing and publishing |           |
| Companies rated for first time and gained 1 tree              | Bovis Homes                        | Home Builders                  |           |
|   | DFS                                | Furniture                      |           |
|   | Dobbies                            | Furniture                      |           |
|   | Gardman                            | Furniture                      |           |
|   | Klondyke & Strikes                 | Furniture                      |           |
|   | Notcutts                           | Furniture                      |           |
|   | Persimmon                          | Home Builders                  |           |
|   | Ryman                              | Furniture                      | *         |
|   | Staples                            | Furniture                      | *         |
|   |                                    |                                |           |
| Companies that slipped back from a higher tree rating in 2015 | Dunelm Group                       | Furniture                      | *         |
|   | Guardian                           | Paper, printing and publishing |           |
|   | Skanska                            | Construction                   | *         |
|   | Warren Evans                       | Furniture                      |           |
|   | Woodscape                          | Furniture                      | *         |



30 COMPANIES THAT SCORED 0 TREES

These companies **show little or no progress on sustainable timber and wood products**. They communicate very little (if any) information about their purchasing policies, quantities purchased or the source of their timber products. For companies whose score has fallen since 2015, this is due to a lack of visible public information to reference, and a lack of response.

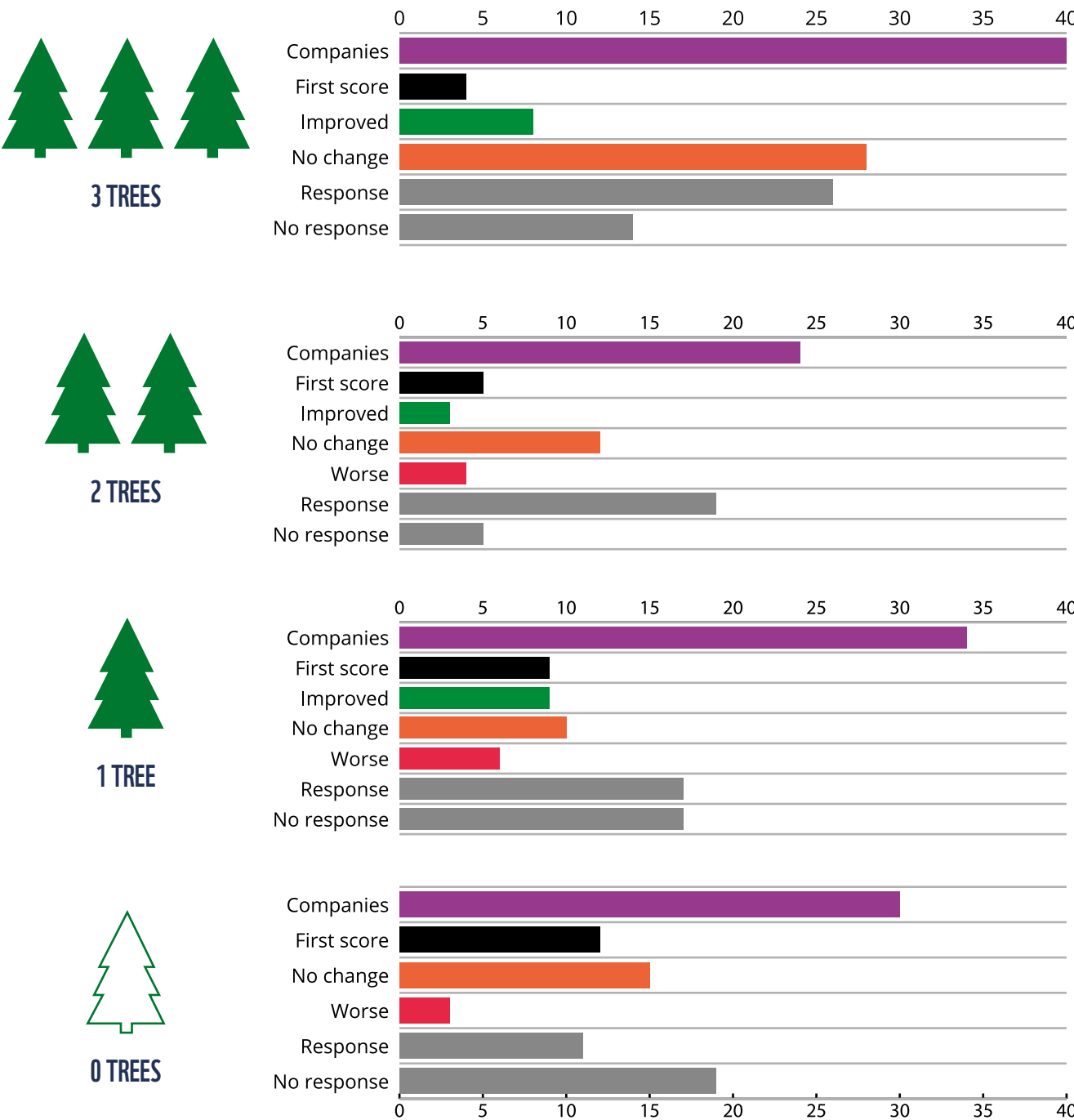
|   | COMPANY                        | CATEGORY                       | RESPONDED |
|---|--------------------------------|--------------------------------|-----------|
| Companies that maintained their 0 tree position from 2015 | A. Share & Sons Ltd (SCS)      | Furniture                      |           |
|   | Brissi London                  | Furniture                      |           |
|   | Cath Kidston                   | Retailer                       | *         |
|   | Dreams                         | Furniture                      |           |
|   | Fender Musical Instruments GBI | Musical instruments            |           |
|   | Foyles                         | Paper, printing and publishing |           |
|   | Harrods                        | Retailer                       |           |
|   | Hearst                         | Paper, printing and publishing | *         |
|   | Liberty                        | Retailer                       |           |
|   | Oxford University Press        | Paper, printing and publishing |           |
|   | Roset                          | Furniture                      | *         |
|   | Tanglewood Guitars             | Musical instruments            |           |
|   | The Entertainer                | Retailer                       |           |
|   | The Sofa Workshop              | Furniture                      | *         |
|   | Waterstones                    | Paper, printing and publishing | *         |
| Companies rated for first time and gained 0 trees         | Blackwell's                    | Paper, printing and publishing | *         |
|   | Harvey Nichols                 | Furniture                      | *         |
|   | Hilliers Garden Centres        | Furniture                      |           |
|   | made.com                       | Furniture                      | *         |
|   | Mole Country Stores            | Furniture                      | *         |
|   | Multiyork Furniture            | Furniture                      |           |
|   | Nest.co.uk                     | Furniture                      |           |
|   | Selfridges & Co                | Furniture                      | *         |
|   | Sharps                         | Furniture                      |           |
|   | The Kitchen Depot              | Furniture                      |           |
|   | Wren Kitchens                  | Furniture                      |           |
|   | Wyevale Garden Centres         | Furniture                      |           |
| Companies that slipped back from a higher tree rating     | Heals                          | Retailer                       | *         |
|   | Simon & Schuster               | Paper, printing and publishing |           |
|   | Toys R Us                      | Retailer                       |           |





Figure 1: Number of companies that achieved each category, and change in status

SCORECARD COMPANY PERFORMANCE





# ANALYSIS



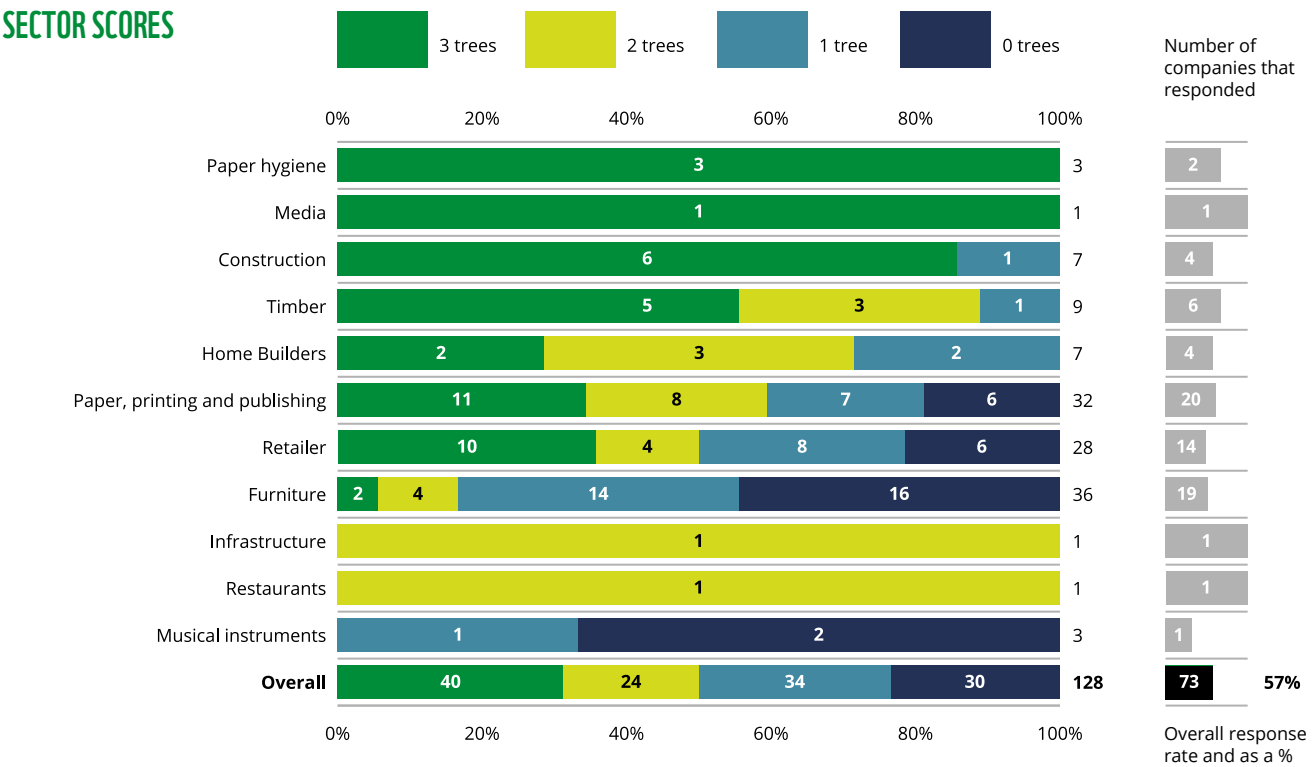


# AN OVERVIEW OF SECTOR PERFORMANCE

The chart below shows the breakdown of all 128 companies reviewed by sector, with their corresponding tree score.

- The **construction** sector leads on overall performance with all but one of its constituent companies being awarded 3 trees.
  - For the **musical instrument** companies we did review, a lag on overall performance is still suggested, with the highest performer only scoring 1 tree.
  - The **paper, printing and publishing sectors** and **general retailers** (both consumer-facing sectors with many recognisable household brands) show an even spread of performance. In both cases more than a third of companies reviewed in each sector are providing peer-leadership scoring 3 trees, and over 50% scoring 2 trees and above.
- Approximately 20% of companies reviewed in each of these sectors have no score, which should be concerning given these are all household brand names. The lack of visible concern over key sustainability issues could be damaging in the long term, given their influence on consumption.
- Of the 30 companies in the scorecard with no score, more than half (16) were **furniture retailers**. There is an opportunity for these companies to improve and be better at communicating their sustainability credentials. This is a sector that WWF has only recently tried to engage – with training, a report, and ongoing contact with brands.

Figure 2: Summary of the performance within 11 different sectors



The side bar showing the number of companies that responded indicates the level of responses and engagement we had with companies in each sector during the review process. This represents correspondence with companies in the sector, not necessarily the return or addition of new information.



## CONSTRUCTION AND TIMBER

We have provided a snapshot of both the construction and timber processing sectors together as these are predominantly business to business organisations supporting the UK construction industry. We include construction companies such as **Balfour Beatty**, **Carillion** – and the timber suppliers that source timber to these markets such as **Danzer**, **James Latham** and **Saint-Gobain** and builders merchants like **Travis Perkins**.

No new companies were added into the scorecard this year and only minor adjustments have been noted, which is more a reflection of the maturity of the industry and its increased and improved engagement on the agenda for sustainable forest trade. The companies that scored least well are UK operations of overseas companies, where the lack of disclosures is more an indication of how they disclose information on their UK websites.

Only a handful of the companies surveyed provided an update to their policy statements in line with their strategic plans and targets. **Brookes Bros**, for example, gave a year-on-year narrative alongside its annual performance tables. This all helps in providing transparency to the sourcing of timber products and demonstrating the company is actively managing its supply chain.

### CONSTRUCTION

| SCORE | COMPANY                           | CHANGE |
|-------|-----------------------------------|--------|
| ▲▲▲   | Balfour Beatty                    | ▲      |
| ▲▲▲   | Carillion                         | ■      |
| ▲▲▲   | Lend Lease                        | ■      |
| ▲▲▲   | Mace Group                        | ■      |
| ▲▲▲   | Travis Perkins PLC (Incl. Wickes) | ■      |
| ▲▲▲   | Willmott Dixon                    | ■      |
| ▲▲    | Crest Nicholson                   | ■      |
| ▲     | Skanska                           | ▼      |

**BSW** perhaps deserves a better ranking: it dropped back from a 3 tree rating in 2015. Its timber directory and group policy states it sources all logs from FSC-certified sources, but we could not find a clear annual statement of performance to corroborate this claim, highlighting the importance of clear public communications. Similarly, **Forest Enterprise**, **Forestry Commission** could distil some of its many extensive reports into a more accessible format for the public to interpret. Communications need to be precise and, should a business be asked by another stakeholder, verifiable.

The construction and timber industry is well supported by active trade associations. For example, **Brookes Bros**, **Danzer**, **Finnish Fibreboard**, **James Latham** and **The Solid Wood Flooring Company** are all members of the Timber Trade Federation, which is one of the most active associations encouraging and supporting the trade on sustainable sourcing, and asking for transparency on due diligence for timber as part of its membership requirements.

### TIMBER

| SCORE | COMPANY                                | CHANGE |
|-------|--|--------|
| ▲▲▲   | Brooks Timber                          | ■      |
| ▲▲▲   | Danzer                                 | ■      |
| ▲▲▲   | James Latham                           | ■      |
| ▲▲▲   | Saint-Gobain Building Distribution UK  | ■      |
| ▲▲▲   | The Solid Wood Flooring Company        | ■      |
| ▲▲    | BSW Timber Group                       | ▼      |
| ▲▲    | Forest Enterprise, Forestry Commission | ▲      |
| ▲▲    | Timber Link International              | ■      |
| ▲     | Finnish Fibreboard                     | ▲      |





HOME BUILDERS

This year we added further home builder businesses to the timber scorecard, which enables us to review them more clearly as a separate sector.

**Redrow** and **Crest Nicholson**, which both featured under the construction sector in the 2015 scorecard, are reviewed here alongside five other known operators which include **Bellway**, **Barratt**, **Berkeley Group**, **Bovis Homes** and **Persimmon**.

Performance across the sector, according to their public reporting on timber, is strong. **Bellway** and **Redrow** lead on overall performance in the 'three trees' category. **Bovis Homes** and **Persimmon** have the most opportunity to improve their disclosures to ensure it is clear what percentage of timber for the homes they build and use on their site developments is responsibly sourced, to improve their performance and market parity on sustainability compared to peers before our third review in 2019.

HOME BUILDERS

| SCORE | COMPANY             | CHANGE          |
|-------|---------------------|-----------------|
| ▲▲▲   | Bellway             | 1 <sup>st</sup> |
| ▲▲▲   | Redrow              | ■               |
| ▲▲    | Barratt Development | 1 <sup>st</sup> |
| ▲▲    | Berkeley Group      | 1 <sup>st</sup> |
| ▲▲    | Crest Nicholson     | ■               |
| ▲     | Bovis Homes         | 1 <sup>st</sup> |
| ▲     | Persimmon           | 1 <sup>st</sup> |

Most of the top scoring companies communicate their policy to their suppliers and regularly review their timber procurement policy. Promoting responsible forest management is a core part of their strategy and they publish annual sustainability performance data and KPIs across all aspects of their operations. For example, **Redrow** openly communicates its purchasing actions having actively participated in the GFTN programme since 2003. It is perhaps the most transparent when it comes to publishing its forest product purchasing performance year on year, reporting both volume and proportions, with clear alignment with WWF-UK GFTN categories.

But some published performance metrics could be better explained to the public. For example, **Barratt** publishes its annual timber sourcing performance as 100%, based on PEFC and FSC 'Group Agreements' with suppliers which themselves hold chain of custody certificates – but this does not in itself guarantee that the actual timber supplied is certified. There is a risk that some companies are being overly simplistic with their statements and need to improve their reporting especially for the general public.

Some of the companies reviewed did not appear to have substantially updated their policies or performance reporting. **Crest Nicholson** is one such company: it retained the same position in the scorecard from 2015. **Crest Nicholson** still has the clearest example of a sustainable timber procurement policy of all those reviewed in home builders sector, and a model policy to follow. But putting it into practice is important, and by 2019 companies in all sectors need to be increasing the percentage of the certified timber in their supply chain.

Non-respondents such as **Bovis Homes** have a reasonable sourcing policy where it states it requires timber supplies to be FSC or PEFC – but we were not able to confirm its performance to award a better score. Transparency over year-on-year performance is essential to monitor performance on hitting 2020 targets.



PAPER, PUBLISHING, CARD, AND PAPER HYGIENE COMPANIES

For this sector we reviewed a diverse group of paper manufacturers and suppliers, card companies, book publishers and bookshops. Over 60% of companies scored either 3 or 2 trees. Three further companies have been added to the list, which include **Hachette UK**, whose brands were previously assessed, but now achieved a first score of 3 trees as a group. **Antalis**, **HarperCollins**, **Haymarket Media Group** and **IG Design Group** all appear to have stepped up on their commitment to responsible sourcing in this review. Companies in this sector generally have a high proportion of timber fibre in their supply chain, which often limits the influence a company can have on paper sourcing and production, due to co-production.

A third of all companies reviewed in this sector have improved their score from the 2015 review. Five improved to a '3 trees' rating. Among these, **HarperCollins** shows a higher percentage of FSC certified paper in use and states that it now reviews, fibre tests and approves all material excluding high risk fibres and sources. Together with **Penguin Random House** and **Hachette**, it is also one of the few that has a clear target to print 100% of its books on FSC-certified materials by 2020. It was also one of the first major trade publishers to take its operations carbon neutral. Even in an age where publishers are doing more and more online, print is still a crucial part of the industry. So, for publishers, climate change and its impact on forests is hugely significant.

It is encouraging to see one of the worst performers in 2015, **Clinton Cards**, has upped its game by sharing policy information, moving to a 1 tree rating.

Among the publishers, **Oxford University Press**, **Simon & Schuster** and **Hearst** all failed to register a score. While some like **Hearst** told us it has a commitment to buy paper from sustainable sources, it does not publish its policy or performance.

Some publishers have a history of working together on responsible paper purchasing. The Publishers' database for Responsible Environmental Paper Sourcing (PREPS) was set up as a joint initiative between

publishers to promote better data on the legality and sustainability of paper sources. The scheme could be improved if it were tied more into tangible commitments by member companies to progressively move to better papers.

Publishers' commitments to progressive paper purchasing are a way of reinforcing to retailers and printers that these issues are important and are being addressed. Maybe surprisingly, the booksellers and bookstores like **Foyles**, **Waterstones** and **Blackwell** are still lagging behind, with no visible public commitments to ensure the books or other stationery and paper items they sell are manufactured from sustainably sourced materials. This is likely to be because of sourcing from other brands. However, given their clear dependence on forests as a resource for their business, they should be actively looking to confirm the brand commitments for the products they source and sell, to ensure sustainability long term and to ensure their customers are supporting forests too.

The greeting card manufacturers have improved as a group this year, with both **IG Design Group** (previously International Greetings) and **UK Greetings** scoring 3 trees. The latter is the largest direct to retail greeting card publisher in the UK. **Hallmark Cards** slipped back: long-term technical problems with its website appeared to hamper its ability to provide any public information in the review period. Both **Clinton Cards** and **The Great British Card Company** scored 1 tree.

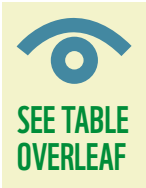
Among newspapers, the **Guardian** states a commitment to embed sustainability into its day to day activities, with the majority of newsprint sourced from recycled fibre. However, the lack of public disclosures and statements meant we were not able to score it on its performance.

A small number of the previously good performers such as **Williams Lea** and **Macmillan Publishers** have slipped back. **Macmillan Publishers** did not appear to have updated its policy or performance figures since 2015.

We have separately reviewed three paper hygiene companies. **Kimberly-Clark** fibre procurement policy remains one of the most progressive in the tissue industry.

KEY

- ▲ Improved
- ▼ Slipped
- No change
- 1<sup>st</sup> First score



<sup>2</sup> 2015 UK greenhouse gas emissions: final figures - statistical summary [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/589602/2015\\_Final\\_Emissions\\_Statistics\\_one\\_page\\_summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589602/2015_Final_Emissions_Statistics_one_page_summary.pdf)



KEY

- ▲ Improved
- ▼ Slipped
- No change
- 1<sup>st</sup> First score

PAPER HYGIENE

| SCORE | COMPANY        | CHANGE |
|-------|----------------|--------|
| ▲▲▲   | Kimberly-Clark | ■      |
| ▲▲▲   | SCA Hygiene    | ■      |
| ▲▲▲   | Sofidel        | ■      |

PAPER, PRINTING AND PUBLISHING

| SCORE | COMPANY   | CHANGE          |
|-------|---|-----------------|
| ▲▲▲   | Antalis   | ▲               |
| ▲▲▲   | Hachette UK   | 1 <sup>st</sup> |
| ▲▲▲   | HarperCollins   | ▲               |
| ▲▲▲   | Haymarket Media Group                                   | ▲               |
| ▲▲▲   | IG Design Group PLC (prev. International Greetings PLC) | ▲               |
| ▲▲▲   | Immediate Media   | ■               |
| ▲▲▲   | Mondi   | ■               |
| ▲▲▲   | Penguin Random House                                    | ■               |
| ▲▲▲   | Steinbeis Papier  | ■               |
| ▲▲▲   | Tetra Pak   | ■               |
| ▲▲▲   | UK Greetings  | ▲               |
| ▲▲    | Bauer Media   | ▲               |
| ▲▲    | Cambridge University Press                              | ■               |
| ▲▲    | Hallmark Cards  | ▼               |
| ▲▲    | Macmillan Publishers                                    | ▼               |
| ▲▲    | Pearson   | ■               |
| ▲▲    | Pureprint Group   | ■               |
| ▲▲    | Time Inc.   | 1 <sup>st</sup> |
| ▲▲    | Williams Lea  | ▼               |
| ▲     | Bloomsbury Publishing                                   | ■               |
| ▲     | Clinton Cards   | ▲               |
| ▲     | Guardian  | ▼               |
| ▲     | Muji  | ▲               |
| ▲     | Paperchase  | ▲               |
| ▲     | Sportswift (Card Factory)                               | ▲               |
| ▲     | The Great British Card Company                          | ▲               |
| ▲     | Blackwell's   | 1 <sup>st</sup> |
| ▲     | Foyles  | ■               |
| ▲     | Hearst  | ■               |
| ▲     | Oxford University Press                                 | ■               |
| ▲     | Simon & Schuster  | ▼               |
| ▲     | Waterstones   | ■               |

GENERAL RETAILERS

Performance among general retailers has been static, with very little change among the top performers since 2015. There was no change in the scores of 22 (81%) of the 27 companies. Half (48%) of the companies scored 2 trees or above. The top performers include many big consumer brands such as supermarkets like **M&S**, **Sainsbury's**, **Co-op**, **Morrisons** and **Waitrose** and consumer-facing DIY stores such as **B&Q**. These companies are all reporting sourcing more than 80%.

**WH Smith** has improved its performance and disclosure on its own-brand product lines. Many companies look at the sustainability of their own brand product lines as these are the ones they have direct control over, and report on these, but also offer familiar brands in parallel to provide consumer choice. A grey area remains here: who should take ultimate responsibility for the sustainability performance of a branded product, sold by a well-known retailer? Retailers may feel they lack the necessary leverage to influence other major brands that they stock – but to what extent should they be actively seeking to influence (and assess) the sustainability performance of branded products being sold through their businesses? This highlights an area to focus on in our next scorecard – the procurement of third-party products.

The four companies that scored 2 trees continue to show steady progress. These include well-known brands such as **Argos** (now part of Sainsbury's), **ASDA**, **John Lewis** and **Tesco**.

The six companies that are lagging behind in the sector had no visible sustainable sourcing policies and need to start taking quick action on sourcing responsibly – these include the London retail stores **Harrods**, **Heal's** and **Liberty**. **Cath Kidston** told us it has policies for its suppliers but it has no web page or public compliance statement.

KEY

- ▲ Improved
- ▼ Slipped
- No change
- 1<sup>st</sup> First score

RETAILER

| SCORE | COMPANY                            | CHANGE |
|-------|------------------------------------|--------|
| ▲▲▲   | B&Q UK (Kingfisher)                | ■      |
| ▲▲▲   | Boots UK Ltd                       | ■      |
| ▲▲▲   | Sainsbury's                        | ■      |
| ▲▲▲   | Kingfisher                         | ■      |
| ▲▲▲   | Marks & Spencer                    | ■      |
| ▲▲▲   | The Co-operative                   | ■      |
| ▲▲▲   | Waitrose                           | ■      |
| ▲▲▲   | WH Smith                           | ▲      |
| ▲▲▲   | Morrisons                          | ■      |
| ▲▲    | Argos (Sainsbury's)                | ■      |
| ▲▲    | ASDA                               | ■      |
| ▲▲    | John Lewis                         | ■      |
| ▲▲    | Tesco                              | ■      |
| ▲     | Debenhams                          | ■      |
| ▲     | Early Learning Centre (Mothercare) | ■      |
| ▲     | Hamleys                            | ▲      |
| ▲     | House of Fraser                    | ■      |
| ▲     | Laura Ashley                       | ■      |
| ▲     | Matalan                            | ■      |
| ▲     | Next                               | ■      |
| ▲     | The White Company                  | ■      |
| ▲     | Cath Kidston                       | ■      |
| ▲     | Harrods                            | ■      |
| ▲     | Heals                              | ▼      |
| ▲     | Liberty                            | ■      |
| ▲     | The Entertainer                    | ■      |
| ▲     | Toys R Us                          | ▼      |

Toy manufacturers supply ranges of wooden toys, so it is disappointing to see both **The Entertainer** and **Toys R Us** without any clear policies on sustainable sourcing – compared with major retailers like **Tesco** which has a very clear policy statement on own-branded toys. **Toys R Us** states it has a responsible sourcing philosophy, but fails to document what this is to its customers.

Some of these companies are champions on wider sustainability issues. When global forest issues became prominent in the media due to illegal and unsustainably logged timber making it onto the UK market, **B&Q** among others worked closely with WWF and other environmental organisations to help develop what would become the FSC, and has transformed its timber supply chain since.

Many of the retailers are members of the Consumer Goods Forum (CGF), committing them to achieving zero net deforestation in their supply chains by 2020. CGF members have resolved to work towards excluding deforestation from their supply chains, although to date this commitment has not led to comprehensive performance reporting across the board.

Leading retailers recognise their pivotal role in the supply chain. Own brands make up a major part of products they sell, offering them the ability to influence directly the way these are sourced and manufactured. They also interact with millions of their consumers daily so they know what their customers want and can help them make more informed choices over the sustainability of the products they buy.







KEY

- ▲ Improved
- ▼ Slipped
- No change
- 1<sup>st</sup> First score

FURNITURE RETAILERS

The UK furniture industry is a major importer and user of timber, whether directly as a raw material for manufacturing, or indirectly in components or in finished products. Furniture retailers are the public face of the furniture industry, wielding substantial brand influence and purchasing power.

FURNITURE

| SCORE | COMPANY                       | CHANGE          |
|-------|-------------------------------|-----------------|
| ▲▲▲   | Bensons for Beds (Steinhoff)  | 1 <sup>st</sup> |
| ▲▲▲   | Homebase (Bunnings UK)        | 1 <sup>st</sup> |
| ▲▲▲   | Office Depot UK               | ■               |
| ▲▲    | Bramblecrest                  | 1 <sup>st</sup> |
| ▲▲    | Harveys Furniture (Steinhoff) | ▲               |
| ▲▲    | IKEA                          | ■               |
| ▲▲    | Nobia UK (incl. Magnet)       | ■               |
| ▲     | DFS                           | 1 <sup>st</sup> |
| ▲     | Dobbies                       | 1 <sup>st</sup> |
| ▲     | Dunelm Group                  | ▼               |
| ▲     | Feather & Black               | ■               |
| ▲     | Furniture Village             | ■               |
| ▲     | Gardman                       | 1 <sup>st</sup> |
| ▲     | Jansen International          | ▲               |
| ▲     | Klondyke & Strikes            | 1 <sup>st</sup> |
| ▲     | Notcutts                      | 1 <sup>st</sup> |
| ▲     | Oak Furniture Land            | ▲               |
| ▲     | Ryman                         | 1 <sup>st</sup> |
| ▲     | Staples                       | 1 <sup>st</sup> |
| ▲     | Warren Evans                  | ▼               |
| ▲     | Woodscape                     | ▼               |
| ▲     | A. Share & Sons Ltd (SCS)     | ■               |
| ▲     | Brissi London                 | ■               |
| ▲     | Dreams                        | ■               |
| ▲     | Harvey Nichols                | 1 <sup>st</sup> |
| ▲     | Hilliers Garden Centres       | 1 <sup>st</sup> |
| ▲     | made.com                      | 1 <sup>st</sup> |
| ▲     | Mole Country Stores           | 1 <sup>st</sup> |
| ▲     | Multiyork Furniture           | 1 <sup>st</sup> |
| ▲     | Nest.co.uk                    | 1 <sup>st</sup> |
| ▲     | Roset                         | ■               |
| ▲     | Selfridges & Co               | 1 <sup>st</sup> |
| ▲     | Sharps                        | 1 <sup>st</sup> |
| ▲     | The Sofa Workshop             | ■               |
| ▲     | The Kitchen Depot             | 1 <sup>st</sup> |
| ▲     | Wren Kitchens                 | 1 <sup>st</sup> |
| ▲     | Wyevale Garden Centres        | 1 <sup>st</sup> |

Often the presence of wood is obvious, such as in garden furniture, but it can be hidden behind other materials. Wherever the wood may be found, the furniture industry has a responsibility to ensure that it sources it legally and sustainably.

We added 22 further furniture companies to the Timber Scorecard this year, following our ‘Are you sitting comfortably?’ report on the industry published in October 2016. The sector still includes well-known companies such as **IKEA**, **DFS**, **Furniture Village** and **Oak Furniture Land** – but now we also have others such as stationers that sell office furniture as well, such as **Ryman**.

Performance among the sector is lacklustre, with only seven companies scoring 2 trees or higher. These include **IKEA**, **Homebase**, **Bramblecrest**, **Nobia UK (incl. Magnet)**, **Office Depot** and two of the **Steinhoff** subsidiaries, **Bensons For Beds** and **Harveys Furniture**.

The other 30 companies (representing 80% of the sector) scored 1 tree or lower, with 16 companies scoring zero. Many of these companies had little or no information on their website about the sustainability of the timber or wood products they sold, and often statements were quite broad or generic. These were often lacking even the most basic reference to responsible sourcing on their website. Well-known brands such as **SCS**, **Dreams**, **Harvey Nichols**, **Multiyork Furniture**, **Sharps** and **Sofa Workshop** are among these.

It is worth noting that some furniture (such as chairs) is currently exempt from EUTR requirements; other items (such as tables) are not. It is surprising that such well-known customer-facing companies completely fail to communicate the sustainability or source of their key raw material.

A number of companies such as **Dunelm** and **Wyevale Garden Centres** were either not in a position to respond or contacted us after the scorecard was completed. We look forward to reviewing their progress in 2019 as at present, on the basis of their public information, it appears more action is needed by them on this agenda.



KEY

- ▲ Improved
- ▼ Slipped
- No change
- 1<sup>st</sup> First score

MUSICAL INSTRUMENTS

Many musical instruments sold each year are made from rare timber. Thanks to musicians’ bias for tropical woods – particularly mahogany, rosewood and ebony – for their tonal qualities, this is a market in which the illegal timber trade can potentially flourish if left unchecked. The musical instrument industry has an especially high risk of sourcing endangered or poached wood because of its reliance on traditional exotic tone woods for instruments parts, such as guitar backs, sides and fret boards. We reviewed three companies that are importing musical instruments into the UK.

MUSICAL INSTRUMENTS

| SCORE | COMPANY                        | CHANGE |
|-------|--------------------------------|--------|
| ▲     | Yamaha                         | ■      |
| ▲     | Fender Musical Instruments GBI | ■      |
| ▲     | Tanglewood Guitars             | ■      |

It is disheartening to see that very little progress, if any, has been made since 2015. For both **Fender Musical Instruments GBI** and **Tanglewood Guitars** we were unable to locate any statements supporting sustainable sourcing policies. The **Yamaha Corporation**, which communicates that it prides itself on its commitment to work in partnership with society and contribute to a sustainable environment, has a sustainable timber procurement policy in place but it does not provide disclosures on performance. Furthermore, musical instruments are not within the scope of the EUTR at present, leaving companies without obligations to carry out due diligence to ensure their products are legally sourced.

For consumers, choosing instruments such as guitars that are certified as sourced from FSC certified timber is one way to guarantee that set standards of environmental and social sustainability are met, including that the wood used is legally harvested.

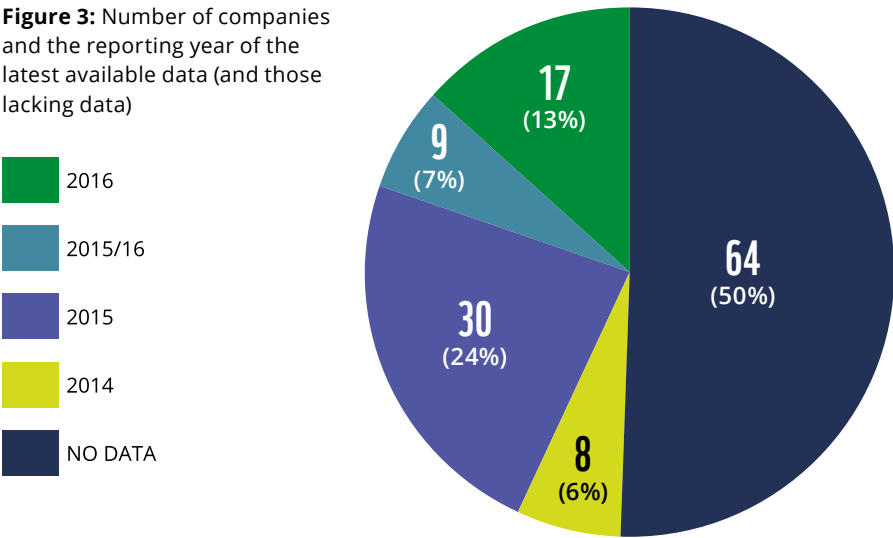


OVERALL

Variable reporting masks progress towards 2020

We observed companies reporting performance figures across a range of different periods from 2014 to 2016. These all represented a respondent’s most recent reporting year. Some of this can be explained by the delay in reporting, especially when CSR/sustainability reports are published to coincide with annual financial statements.

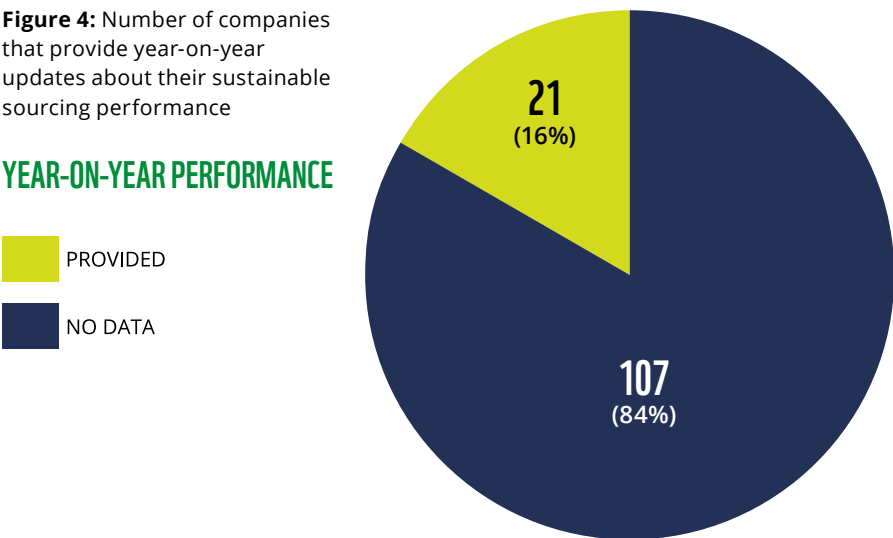
Figure 3: Number of companies and the reporting year of the latest available data (and those lacking data)



Few companies provide year-on-year performance updates

Only 21 (16%) of the 128 companies we reviewed provided clear annual performance updates, reporting how they are improving year-on-year. This makes it quite challenging to assess progress trends and highlight performance gaps that each company needs to make as we head towards 2020. Further, many of the companies publishing these figures are those that are attaining close to 100% sourcing – so they are the best performers and best communicators of this work in this area.

Figure 4: Number of companies that provide year-on-year updates about their sustainable sourcing performance



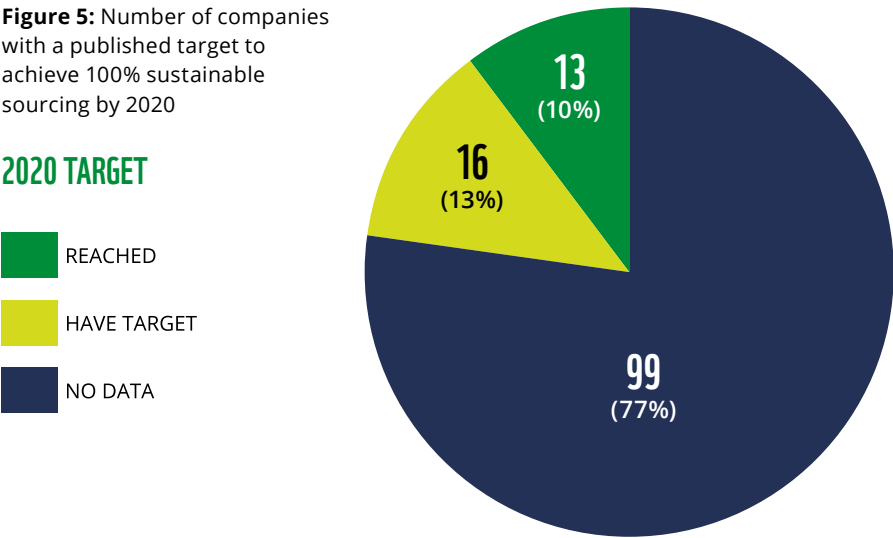
YEAR-ON-YEAR PERFORMANCE

- PROVIDED
- NO DATA

Few companies have stated targets to achieve 100% sustainable sourcing by 2020

Of all companies reviewed in the scorecard, only 16 of the 128 (13%) had published targets for 2020. If we include companies that claim to have already reached 100% sourcing, still only 29 of the 128 companies (23%) claim to have met or anticipate meeting 100% sourcing of sustainable timber or wood products by 2020. If we were to assume that companies will have internal targets, it remains the case that few are making bold public statements that they intend to stick to their commitments to better sourcing practices to meet this important goal of achieving 100% sustainable sourcing by 2020.

Figure 5: Number of companies with a published target to achieve 100% sustainable sourcing by 2020



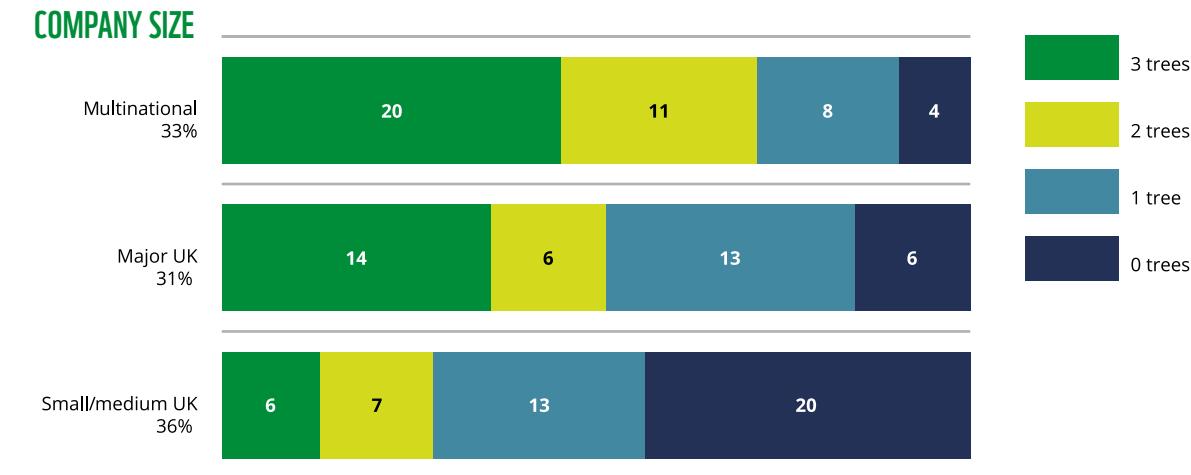
2020 TARGET

- REACHED
- HAVE TARGET
- NO DATA

Larger companies are performing better on timber sourcing

The size of the company does play a role in a company’s commitment and adherence to sustainable sourcing. As shown in the chart below, the larger multinational companies lead on performance disclosure and generally have established programmes, teams and departments. Companies at the smaller end face challenges in sourcing sustainable forest products, and in publicly communicating this information, with little influence on their supply chains or customer behaviour.

Figure 6: Comparison of performance by size of company





Companies with timber as a core resource perform better

Perhaps not surprisingly, companies that rely on timber or wood products and fibre as important and irreplaceable raw input materials (such as builders merchants or publishers) tend to show more commitment to responsible sourcing than those that do not have timber as a primary source, or as part of a mainstay product range.

We also looked at other attributes, such as whether the company was public or private, but the results on performance were inconclusive.

TIMBER SIGNIFICANCE





# TRADE ASSOCIATIONS





# TRADE ASSOCIATIONS

We researched and reached out to a dozen UK trade associations representing a cross-section of companies and their sectors, as included in the scorecard. Associations play a crucial role in shaping and supporting businesses in their journey towards sustainable timber:

- They **often require their members to have verified due diligence systems in place** as part of their membership code of conduct. Such systems help them to manage and minimise the risk of illegal timber in their supply chain.
- They **represent the trade's perspectives**, ensuring that the trade in timber products can be used to enhance the reputation of timber as the most sustainable raw material.
- They **play a key leadership role** to ensure members are adapting and are well positioned to meet the changing expectations of their customers. This includes leadership in responsible sourcing, which has been key to support the trade's development in buying increasing volumes of certified sustainable timber products for the UK market – something that UK consumers and businesses now expect.
- They **offer support to members at an operational level** through information, advice and guidance and on some occasions through getting them involved in programmes that support responsible sourcing, such as model policies or guidance around EUTR.

- They provide focused support to ensure that members' supply chains have **effective and efficient systems** in place to meet the due diligence requirements of the EU Timber Regulation.

- They offer communications **guidance on making credible green claims**. Advertising standards apply to online information and claims, so trade associations should be alert to this, and reinforce how correct claims are linked to good reputation and trust for their sectors

As part of the scorecard review process we asked companies to advise us of any associations they were members of. But few associations were volunteered. Reasons for this could vary – either due to not having membership, or perhaps the companies did not see trade associations as being particularly relevant in this context.

Many of the companies we reviewed in the scorecard could benefit from receiving support to further understand the issues that affect the sourcing of timber and the development and implementation of stronger policies and sourcing statements. Trade associations could seize on this as another way to add value to their membership base, and contribute to a legal and sustainable market for timber.



## EXAMPLES OF SUPPORT OFFERED BY ASSOCIATIONS TO THEIR MEMBERS

The **Timber Trade Federation (TTF)** is one of the most active at providing information and advice to the trade. TTF has a mandatory requirement for members to deliver against its Responsible Purchasing Policy. It has improved its own public reporting on trade performance in this area and worked with its members to gain the support required to make a public declaration of support to our forest campaign. By signing up to support the campaign, TTF supports its members' businesses strategically and operationally to increase the volumes of sustainable timber they purchase.

The **UK Contractors Group (BuildUK)** has worked to improve procurement practices by providing simple guidance and support to its membership base of major construction companies, which have made commitments to improve business practices across a spectrum of issues.

The **Greeting Card Association** with its Paper Sourcing Guidance has produced a simple and easily accessible three-page guide to sourcing sustainable boards with recommendations, tips and suggested statements for drafting a paper sourcing policy. It has also made some clear recommendations to card publishers on where they can make a real difference, including good housekeeping that promotes cost saving measures. Helpfully, its Paper Sourcing Model includes suggested wording such as “we undertake to ensure 100% of our products will be sourced either from FSC or PEFC certified, or recycled materials, by 2020”, in line with WWF's forest campaign call to action.

The **Builders Merchants Federation (BMF)** and WWF's Global Forests & Trade Network (GFTN) have come together to promote responsible trade in forest products. It seeks to inform its members' choices on whether to obtain timber chain of custody certification. A short briefing outlines the background to the debate, gives views from the marketplace, and details key considerations for BMF merchant members.

The **British Retail Consortium** produced a detailed guide ('EU Timber Regulation: Overview of a Due Diligence System') to enable its members to better understand the requirements under the EUTR to offer an approach to due diligence.

For small companies, the **British Woodworking Federation (BWF)** provides assistance to members on achieving chain of custody certification by offering a group scheme where the BWF is the certificate holder allowing scheme members to use the certificate at a much lower cost than achieving chain of custody independently.

The **British Furniture Manufacturers (BFM)** has produced an information tool to help member companies understand whether they are classed as an 'operator' or 'trader' under the EUTR, and where appropriate to guide companies through the due diligence process for both certified and uncertified timber and wood products. As a part of this, the BFM has developed a supplier questionnaire and declaration that the product is legal. The BFM has also engaged a consultant to provide support to members at no extra cost.



# CONCLUSIONS





# CONCLUSIONS



## THE LEADERS - '3 TREES'

The companies that scored highest in this review are demonstrating clear leadership in their sector, many having reached near full compliance with their policies. Some have only just attained this level, whereas others have had sustainability at their core for decades and see it very much part of their corporate DNA.

For these companies, responsible sourcing is becoming or has become business as usual and the sustainable sourcing of raw materials is inextricably tied to their organisational culture.

They see it as core to their business, and a key element in reducing waste and improving efficiency. They do not see certified timber as a nice-to-have, but rather as evidence that they are managing their supply chain and understand its long-term security for their own business benefit.

Typically, these companies want:

- resilient and robust supply chains
- long-term dependability
- stability in the availability of their key raw materials
- control over brand risk
- recognition from customers and other stakeholders for investing in doing the right thing.

The better-performing companies have often also formed alliances and partnerships, including with NGOs such as WWF. They are working together to improve purchasing decisions and to deliver results around sourcing sustainable timber and wood products.



## THE DOERS - '2 TREES'

Companies scoring 2 trees are showing good progress on their journey towards responsible timber sourcing and have the key ingredients of a responsible sourcing programme. Many may still have a long journey ahead in improving the proportion of certified timber in their supply chain. It can take five years or more to steadily transform a supply chain so the majority of timber can be considered sustainably sourced.



## THE LAGGARDS - '1 TREE' AND 'ZERO TREES'

For those companies scoring 1 tree, it is time to show performance against policy commitments. With many other businesses clearly making progress, it is not enough these days to expect customers and other stakeholders to take a company's word that it is implementing a policy. The experience of WWF's GFTN programme is that often, without the driver of transparency, delivery against targets or policies simply doesn't happen. For those companies that feel they are delivering, and should have been recognised at a higher level in our review, but haven't shared this performance information more widely, it could be time to review this approach, and let people know how well they are performing – using it to add value to their business proposition and build credibility.

Sadly, quite a few companies made only incidental reference to sustainable sourcing. These may have some knowledge of responsible timber sourcing issues but are failing to pursue credible policies or failing to communicate effectively what they are doing. They are generally not providing any information to support their customers' interest in environmental matters, or to enable them to make informed purchasing decisions around the sustainability of the products they buy.

At the 'zero trees' level, many of these companies present no information on their websites: no policy, no sourcing statement, and no mention of sustainability. For these companies, responsible sourcing is unlikely to be a core driver and company management may not view responsible sourcing of a key commodity such as timber as an issue.

There could arguably be silent operators – companies that are not displaying any visible progress but are gradually and quietly making inroads behind the scenes, working with suppliers – but just not yet prepared to make a bold public statement. These and other companies could benefit from ongoing access to help, advice and resources, to help them with further development of policy and responsible sourcing activities, but above all to communicate their efforts and progress to their consumers.

Some companies, however, even though they are likely to be sourcing substantial amounts of timber or wood products – are simply failing to put robust policies in place, or to communicate them effectively.

## COMMUNICATING PERFORMANCE

Overall, very few companies offered annual performance tables to demonstrate how they hold themselves accountable for year-on-year progress on increasing the percentage of certified sustainable timber in their supply chains, let alone highlighting the scale of the challenge required to progress towards 2020. Most of the companies that did publish annual statements already claim to have achieved 100%. Without visible trends and targets, companies are failing their clients and customers in demonstrating they are managing their supply chains.

## COMMUNICATING SUSTAINABILITY

The larger companies, with established investor relations, corporate affairs or CSR departments, tend to place information regarding their sustainable timber purchasing and performance on separate corporate websites. This is particularly relevant for consumer-facing companies, such as retailers and publishers, as it means key sustainability credentials are often not explicitly visible alongside their products. This is a missed opportunity for high-performing companies to make more of these policies as a market differentiator. And equally, it limits the educational value of bringing consumers along with them, supporting the company's sustainability agenda through its spending choices.

## DOOR OPEN TO ONGOING ENGAGEMENT

Many of the companies we engaged with during the scorecard process are keen to work with us going forward to improve their communications and the quality of information available to the public regarding their commitment to sustainability.

## LOOKING AHEAD TO THE TIMBER SCORECARD IN 2019

In 2015 we outlined plans to run three Timber Scorecards between 2015 and 2020. We are already looking ahead to the third scorecard in 2019, which will look at actions over 2017-18.

We want to see zero net deforestation and forest degradation, meaning no further loss in the quantity or quality of the world's forests by 2020. As part of this, our forest campaign encouraged UK businesses to shift 100% of their trade in timber and wood products to legal, sustainable sources and deforestation-free supply chains by 2020. The 2020 target is a measurable milestone towards a longer-term goal of improving forest cover and quality.

Some companies reviewed in this scorecard, in addition to making promises about their own operations, have signed up to international programmes and commitments to tackle and eliminate deforestation from supply chains – such as the New York Declaration on Forests or through membership of the Consumer Goods Forum. However, more action is needed by all companies to ensure targets are met.

We've identified some areas that may warrant enquiry in our next scorecard in 2019:

### • Scope of third-party brands

Some companies push out their sourcing policies on all their suppliers, whether own brands or third party. In this scoring we have noted but not penalised companies that are applying their policies rigorously on their own branded supplies, but not enforcing the same discipline on third-party brands. For the third scorecard in 2019, we may consider making this assessment and reflecting the change in the scoring.

### • Increasing peer group companies

As we engaged with companies this year, several suggested names of other companies in their sector who ought to be included in the review. We will consider including them in the 2019 scorecard. We may also need to look at online retailers.

### • Closer look at performance across product ranges

Especially among retailers, companies often handle a mix of product ranges that span across sectors such as furniture, stationery, hygiene products and books, as well as well as concern over the packaging they use. Looking at how well a business is doing across the different types of product it sells may provide insights into where performance needs to be focused.



**ACT NOW**





# ACT NOW TO IMPROVE YOUR IMPACT

A company's licence to operate increasingly requires it to function in a way that is sustainable and in the long-term interests of wider society. It is important to understand the environmental impact of raw materials used and to develop appropriate standards to ensure the sustainability of these sources. Third-party certification plays a useful part of a strategy to manage responsible sourcing in tandem with a robust policy and an internal programme to monitor performance.

## RECOMMENDATIONS FOR BUSINESSES

### What can businesses do to support the trade in responsibly sourced timber and wood products?

The simplest thing that any business can do is to put in place a responsible sourcing or procurement policy that specifies a preference for timber sourced as FSC. More demand of products certified as coming from sustainably managed forests filters up the supply chain and creates increased demand and investment in forest certification in forests around the world.

Other approaches may evolve, and we hope they do, to provide credible verification of sustainable forest management, that leads to benefits for people, nature and climate – as well as business interests.

Failure to secure a sustainable timber supply could risk placing businesses in an unsound long-term position as resource availability changes in a dynamic global market. Companies need to ask and to understand where their timber and wood products come from – not simply where the product is manufactured, but where the timber was originally harvested.

To ensure that companies are not contributing to deforestation through their purchasing of timber and wood products, we recommend that they:

- **Publish a clear responsible timber purchasing policy** that outlines the criteria the company sets for the wood and timber products it sources for its business. It should explain how it prevents illegal timber from entering its supply chain and requires sustainable timber and wood product purchasing.

- **Engage suppliers** by providing supplier guidance notes or codes of conduct or training. This can help ensure that all supply chain participants are aware of policy requirements.

- **Systematically verify through and adopt third-party certification** to ensure that products are legal (as a minimum), but progressively come from sustainably managed forest sources. Prioritise products that are already certified as coming from well-managed forests. Insist that suppliers do the same.

- **Commit to sourcing targets** – for example, that over 70% of timber or wood products purchased are from credibly-certified or recycled sources by a set deadline.

- **Report on targets** in their policy in a clear, simple and transparent manner. For example, in annual reports, be honest about the challenges ahead, progress against these targets, and willingness to progressively tackle them.

- **Seek support** – whether through trade associations or organisations like WWF, and other businesses that have made commitments to responsible procurement. This will help companies to understand the issues and overcome obstacles to responsible forest trade.

- **Fully embed a new business culture** based on promoting sustainability and its importance – but avoid greenwash or misleading statements.



- **Communicate by raising awareness of timber sustainability issues** with customers to enable them to positively reinforce company investments in sustainability with their own purchasing actions.

- **Acknowledge and investigate how their business may depend** on the change to a more sustainable future for forests.

At WWF, we are asking companies to pledge to buy from legal and sustainable sources and play an active part in supporting our work to help protect the world's forests.

### A template for a responsible timber sourcing policy

There is no standard template, but a strong policy would:

- have a clear scope
- explain clearly what is covered under the policy
- contain ambitious targets such as 100% responsibly-sourced timber by 2020
- report on annual progress towards these targets
- display a positive commitment to forest certification (especially to FSC)
- comply with the EU Timber Regulation where it applies to your products; and
- clearly articulate aims such as promoting certification, the use of recycled timber and prohibiting materials from a range of unacceptable sources.

### For poor-performing companies

Performance is not a factor of industry sector or market segment, but rather of individual company attitude and commitment to sustainability. All low-performing companies in the scorecard have an opportunity to step up their game, take action and improve performance. Poor-performing companies can take the lead from similar organisations that are among the very best performers.

## RECOMMENDATIONS FOR GOVERNMENT AND REGULATORS

This year marks the fourth anniversary of the EU Timber Regulation (EUTR), the EU's law to address illegal logging. The EUTR may have increased awareness of timber legality and in some instances also of timber sustainability, but this is by no means comprehensive. Some companies may rely solely on the EUTR to demonstrate legality, and perhaps incorrectly assume this also ensures sustainability. More work needs to be done to understand the issues and how businesses in the UK can support sustainability for forests worldwide.

If companies are still unwilling to provide information about their supply chains and products, their customers are still at risk of unwittingly buying products that have come from illegally-logged sources.

WWF wants to strengthen the enforcement and implementation of the EUTR. During 2016-17, as part of the formal required review of the EUTR, the Commission took active steps to investigate and consult on the implementation of the EUTR, to ensure its proper functioning. This work includes an impact assessment on the scope of products regulated under the EUTR, with the aim of gathering feedback on the possible impacts of different options. Currently, printed books, newspapers, manuscripts, musical instruments and seats with wooden frames are among the timber products excluded from the scope of the EUTR.

A public consultation on options for changes to the scope of the EUTR is imminent at the time of this report release. WWF is advocating for the regulation to include all timber products, including musical instruments, printed materials, seating and charcoal.

We are also asking the UK government to establish incentives and mechanisms to enable the transition to a market in sustainable timber and wood products by 2020. A wide range of national governments and international organisations have made commitments to zero net deforestation by 2020. This requires concerted and urgent action to develop market-based tools and incentives that reach a wider business community than those voluntarily taking action at present. This will lead to quicker progress to sustainable sourcing across the board.





# APPENDIX: FURTHER INFORMATION

## WHAT IS THE EU TIMBER REGULATION?

Up until the introduction of Regulation (EU) No 995/2010 – better known as EUTR – in 2010, there was no specific legislation in the EU to prohibit the trade in illegal timber or to make organisations ensure that the timber they traded originated from legal sources.

The EUTR, which came into full effect in March 2013, grew out of the EU Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT), first adopted in 2003. The Action Plan recognised the important role of the EU as a large consumer of timber products. It set out actions to prevent the import of illegal timber products into the EU, and to encourage demand for timber from responsible sources.

By developing the EUTR, the EU has created a regulatory approach that aims to stop the trade of illegally harvested timber or wood products on the EU market, to help reduce the impact of the EU on deforestation and forest degradation, and to support legal forest practices.

The legislation aims to prohibit the import and use of illegally harvested timber and wood products in EU countries. It makes it a crime to place illegal timber on EU markets. All organisations affected by the EUTR have to adopt practices to ensure that they trade and supply legal timber, as a minimum.

The EUTR requires the first person to place timber or wood products on the EU market (known as the operator) to exercise due diligence (using a risk-based approach) to ensure that the risk of such products being illegal is minimised. In addition, those trading in timber and wood products are required to keep specific information to enable such products to be traced for up to five years.

The focus of EUTR is on the legality of timber rather than its sustainability. The EUTR, in simple terms, only requires evidence of due diligence to demonstrate legal purchasing, not sustainability. However, this requirement for compliance has an impact throughout the supply chain and sends a clear message regarding legality. If the EUTR were improved, and loopholes tightened, there could be an increase in the use and understanding of legal timber, which would be likely to result in more sustainable timber.

The EUTR covers a wide range of timber and wood products, as listed in its annex using EU customs code labelling. It applies to timber products whether they were harvested in the EU or outside, as long as they are covered in the annex listing.

A 2014 report by NewLeaf for WWF-UK, *In or Out? Can the European Union's Timber Regulation keep out illegal timber?* demonstrates that the EUTR's current scope is not comprehensive enough to be effective in prohibiting illegal timber from being placed on the EU market. The research identified 934 CN headings and sub-headings that contained wood and wood-based products. Of these, only 47% are 'in scope', and 2% are exempt from the EUTR. As the EUTR currently stands, 51% of the wood-based CN codes identified in this report are currently out of the scope of the regulation.

The most materially significant 'out of scope' codes include an assortment of products such as seating, printed materials, charcoal and musical instruments, as well as less obvious items such as fireworks and cellulose and its chemical derivatives.

EU member states are responsible for overseeing and applying the law – which means that all 28 EU countries must take active steps, and designate appropriate resources, to do so. For the EUTR to work in practice it needs the active participation of industry, government and civil society stakeholders, as well as even implementation across the EU.

This year the EUTR is being reviewed. WWF is advocating that the European Commission should recommend that the scope of the regulation be expanded so that all wood-based products are covered. Alongside measures to ensure that the regulation is being properly implemented and enforced in all 28 member states, this will ensure that it fulfils its objective to prevent products made of illegally sourced timber being sold on the EU market.

## WHAT IS FOREST CERTIFICATION?

Forest certification is widely seen as the most important initiative of the last two decades to promote better forest management. Responsible forest management is a key component of WWF's vision for a future in which people live in harmony with nature. Well-managed forests can provide renewable raw materials that are vital for our society and economy, while continuing to provide forest-dependent people with shelter, fuel, medicine and other services, conserving essential habitats for plants and animals, and offering a safeguard against climate change.

Forest certification schemes were launched in the early 1990s to help protect forests from destructive logging practices by promoting sustainable forest management. The process involves an independent party issuing a certificate which verifies that an area of forest is managed to defined environmental and social standards and in compliance with relevant laws.

## RECOMMENDATIONS FOR CONSUMERS

Everyone can play a role in protecting the world's forests by only purchasing products that are from responsible sources. Individual consumers can:

- Support companies that have made a public commitment to improving the sustainability of their timber purchasing, and are reporting their progress.
- Look for certification logos and trademarks, such as FSC or recycled, on products.
- Ask companies where the timber in their products has come from.

If it's not clear where a product is from, or whether it is from a legal and sustainable source, ask the company for details, either in store or via customer services.



Certification schemes with chain of custody requirements oblige certificate holders who want to sell timber products as certified to track all of their logs from certified forests. All entities that handle timber along the supply chain are required to ensure that certified timber and wood products are segregated from non-certified sources.

Forest certification is an important mechanism for improving and monitoring forest management, and for tracing and labelling timber, wood products and non-timber forest products. The quality of forest management is assessed against a series of agreed standards by independent, experienced auditors – a process which is also subject to governance and criteria to ensure reliable and robust outcomes. Credible forest certification covers much more than just logging practices: it also accounts for the social and economic wellbeing of workers and local communities, transparency and inclusiveness in decision-making, and impacts on the forest and its biodiversity – especially where this is recognised as having high conservation value.

WWF understands the threats facing forests today. But trying to prohibit the use of forest resources isn’t a viable solution. Responsible forest management is an important solution and a credible system of certification can ensure the sustainable management of these vital resources. However, certification is not a universal remedy against the world’s forest crises – it cannot replace scientifically sound regulations and legislation.

Today there are many forest certification systems. Certification will only ensure responsible forest management if the system has comprehensive management standards, rigorous control mechanisms and broad involvement of economic, environmental and social stakeholders. WWF considers the Forest Stewardship Council (FSC) to be the best certification system to ensure environmentally responsible, socially beneficial and economically viable management of forests at present and therefore recommends the FSC system to consumers, forest managers, policymakers and businesses.

For more information on WWF’s policy position on forest certification schemes, which was used in the assessment of company performance in this scorecard, please go to: [wwf.org.uk/forestcertificationtool](http://wwf.org.uk/forestcertificationtool)

WHAT IS FSC?

In 1990, a group of timber users, traders and representatives of environmental and human rights organisations met to respond to concerns over deforestation, environmental degradation and social exclusion. It was from this multi-stakeholder beginning that FSC was born.

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management

worldwide. Its vision is that the world’s forests meet the social, ecological and economic rights and needs of the present generation without compromising those of future generations.

FSC’s mission is to promote environmentally appropriate, socially beneficial and economically viable management of the world’s forests. This mission is implemented through a global strategy with five goals:

- 1. Advancing globally responsible forest management.
- 2. Ensuring equitable access to the benefits of FSC systems.
- 3. Ensuring integrity, credibility and transparency in the FSC system.
- 4. Creating business value for products from FSC certified forests.
- 5. Strengthening global networks to deliver on goals 1 to 4.

FSC delivers these goals through activities which are managed and developed through six programme areas: forests, chain of custody, social policy, monitoring and evaluation, quality assurance, and ecosystem services.

WHAT IS PEFC?

PEFC is the world’s largest forest certification system. It is an international non-profit non-governmental organisation dedicated to promoting sustainable forest management through independent third-party certification. Its standards seek to transform the way forests are managed globally – and locally – to ensure that everyone can enjoy the environmental, social and economic benefits that forests offer. PEFC is primarily industry led.

PEFC works throughout the entire forest supply chain to promote good practice in the forest and to ensure that timber and non-timber forest products are produced with respect for the highest ecological, social and ethical standards. PEFC was founded in 1999 in response to the specific requirements of small family forest owners. It works by endorsing national forest certification systems developed collaboratively by all interested stakeholders and has recognised certification systems in 36 countries.

HOW CAN COMPANIES GET FURTHER GUIDANCE ON TIMBER SOURCING AND EUTR COMPLIANCE?

WWF, GFTN and the British Standards Institute worked together to produce *PAS 2021 – Exercising due diligence in establishing the legal origin of timber and timber products – Guide to Regulation (EU) No 995/2010*. This was developed to help the timber industry meet the EUTR.

Developed by consensus and through a steering group of industry experts, PAS 2021 aims to:

- help organisations identify whether they are affected by the EUTR, and their obligations
- help organisations develop and implement a due diligence system to minimise the risk of illegal timber in supply chains
- describe good practices for responsible trade in timber and wood products that go beyond the minimum requirements of the EUTR.

PAS 2021 is relevant to any organisation that places timber or wood products (including materials made from pulp and paper) on the EU market, or any organisation that sells and buys such products already available on the EU market. It also contains links to additional resources. It is free to download from the BSI website: [shop.bsigroup.com/pas2021](http://shop.bsigroup.com/pas2021)

WHY ARE TIMBER RECYCLING AND RECOVERED FIBRE IMPORTANT?

Recycling wood and paper reduces the amount of timber that needs to be sourced from forests. Nearly all types of solid timber can be reused if recovered and separated from waste.

Timber can be recycled from buildings and used again in products such as furniture and flooring. Smaller, less valuable wood scraps can be collected and used to make particleboard and other composite products. In the UK more than half the wood previously sent to landfill is now recycled.

Paper can be recycled and reused several times, thus reducing the volume of virgin wood fibre needed to produce paper products. The proportion of virgin wood fibre that needs to be added with each recycling stage depends on the product quality requirements: for example, virgin wood fibres tend to be stronger than those that have been recycled several times.

Using recycled fibre can reduce the energy requirements and overall environmental footprint of producing a particular product; it also reduces the volume of material sent to landfill.

WHAT IS WWF DOING ON FOREST PRODUCT ISSUES?

In 2011, as part of the International Year of Forests, WWF launched its *Living Forests Report*. A series of chapters examine the drivers of deforestation and the opportunities to shift to a new model of sustainable forestry, farming and consumption.

- Chapter 1, ‘Forests for a living planet’, examines the status of forests, future trends, and scenarios that will enable or prevent zero net deforestation and degradation between now and 2050.

- Chapter 2, ‘Forests and energy’, examines the safeguards needed to ensure expanding use of bioenergy helps to provide energy security, rural development and greenhouse gas reductions without destroying valuable ecosystems or undermining food and water security.

- Chapter 3, ‘Forests and climate – REDD+ at a crossroads’, highlights REDD+ as a unique opportunity to cut emissions from forests in time to prevent runaway climate change, but only if investments are made now.

- Chapter 4, ‘Forests and wood products’, explores how we can meet future demand for wood products within the finite resources of one planet.

- Chapter 5, ‘Saving forests at risk’, identifies where most deforestation is likely between 2010 and 2030: these are the deforestation fronts where efforts to halt deforestation must be concentrated. The chapter also provides compelling examples of solutions for reversing the projected trends in these deforestation fronts.

These documents can be downloaded at: [wwf.panda.org/livingforests](http://wwf.panda.org/livingforests)

WORKING WITH COMPANIES

WWF uses platforms and tools for engaging the forest products industry in the uptake of responsible practices. Three of the main ones are:

WWF GLOBAL FOREST & TRADE NETWORK (GFTN)

GFTN is the world’s longest-running and largest forest and trade programme, involving 186 companies ranging from small operations supplying local markets to large, fully integrated multinational companies in over 30 timber-producing and consuming countries. Companies participating in the GFTN commit to responsible purchasing of forest products or to achieve credible certification in the forests they manage. Participation is based on annual performance towards long-term targets. Participants have been a key force in generating market demand for legal and certified products and achieving certification in some of the world’s most valuable and threatened forests.

[gftn.panda.org](http://gftn.panda.org)

NEW GENERATION PLANTATIONS (NGP) PLATFORM

The NGP platform brings companies and governments together with WWF to develop and promote better plantation management. The NGP concept describes an ideal form of plantation that:

- maintains ecosystem integrity – including biological, carbon, nutrient and water cycles
- protects and enhances high conservation values – biodiversity, ecosystem services and social and cultural values



- is developed through effective stakeholder involvement – local communities, governments and NGOs
- contributes to inclusive economic development – creating jobs and helping businesses and economies

[newgenerationplantations.org](http://newgenerationplantations.org)

## PAPER SECTOR TRANSPARENCY TOOLS

WWF has created a range of tools to reduce the ecological footprint of paper:

- Best measures for a paper-efficient office.
- A guide explaining the potential environmental costs of paper and how to minimise these, including practical tips for buyers and producers.
- Check Your Paper – a tool to raise awareness and easily evaluate the forest, climate and water footprint of pulp and paper products. It helps users assess how environmentally friendly their pulp and paper are. It also provides a choice of pulp and paper products with high environmental standards for an environmentally aware market segment.
- An environmental paper company index – this looks at the environmental aspects of a company’s policies and targets, as well as the environmental performance of the overall production of newspaper, graphic paper, packaging, tissue or pulp.

[wwf.panda.org/how\\_you\\_can\\_help/live\\_green/fsc/save\\_paper/paper\\_toolbox](http://wwf.panda.org/how_you_can_help/live_green/fsc/save_paper/paper_toolbox)

## WHAT DOES ZERO NET DEFORESTATION AND DEGRADATION (ZNDD) MEAN?

WWF advocates ZNDD by 2020 as a target that reflects the scale and urgency with which threats to the world’s forests and climate need to be tackled. Achieving ZNDD will stem the depletion of forest-based biodiversity and ecosystem services, and associated greenhouse-gas emissions. It addresses many targets of the Sustainable Development Goals, Convention on Biological Diversity and UN Framework Convention on Climate Change.

ZNDD provides some flexibility – it is not quite the same as ‘zero deforestation’, which means no forest clearing anywhere. Rather, it leaves room for change in the configuration of the land-use mosaic provided the net quantity, quality and carbon density of forests is maintained or improved. For example, it could allow local communities to clear some forest for agriculture, which could be offset by restoring forest in an important wildlife corridor. In advocating ZNDD, WWF stresses that most natural forest should be retained – the annual rate of loss of natural or semi-natural forests should be reduced to zero; and any gross loss or degradation of pristine natural forests would need to be offset by an equivalent area of socially and environmentally sound forest restoration.







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