



GLOBAL
FOREST
& TRADE
NETWORK

ANNUAL REPORT

2012

The Global Forest & Trade Network is WWF’s initiative to combat illegal logging and drive improvements in forest management while transforming the global marketplace into a force for saving the world’s valuable and threatened forests. By strengthening the links between companies committed to achieving and supporting responsible forestry, GFTN creates market conditions that help conserve forests while providing economic and social benefits to the businesses and people that depend on them. First established in 1991 by WWF, GFTN is the world’s longest-running and largest forest and trade programme of its kind, providing structured support for a wide range of players involved in forest products markets. WWF, through GFTN’s global-to-local approach and on-the-ground presence, provides a framework that combines market stimulation and application of field-based technical assistance in over 30 countries.

GFTN’s Annual Report 2012 reflects upon the successes within the programme and progress in responsible forestry and trade during Fiscal Year 2012 (July 2011 – June 2012).

More information about GFTN is available at gftn.panda.org.

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Cover image: Concession of GFTN participant PT. Ratah Timber, East Kalimantan, Indonesia - © WWF-Canon/Simon Rawles

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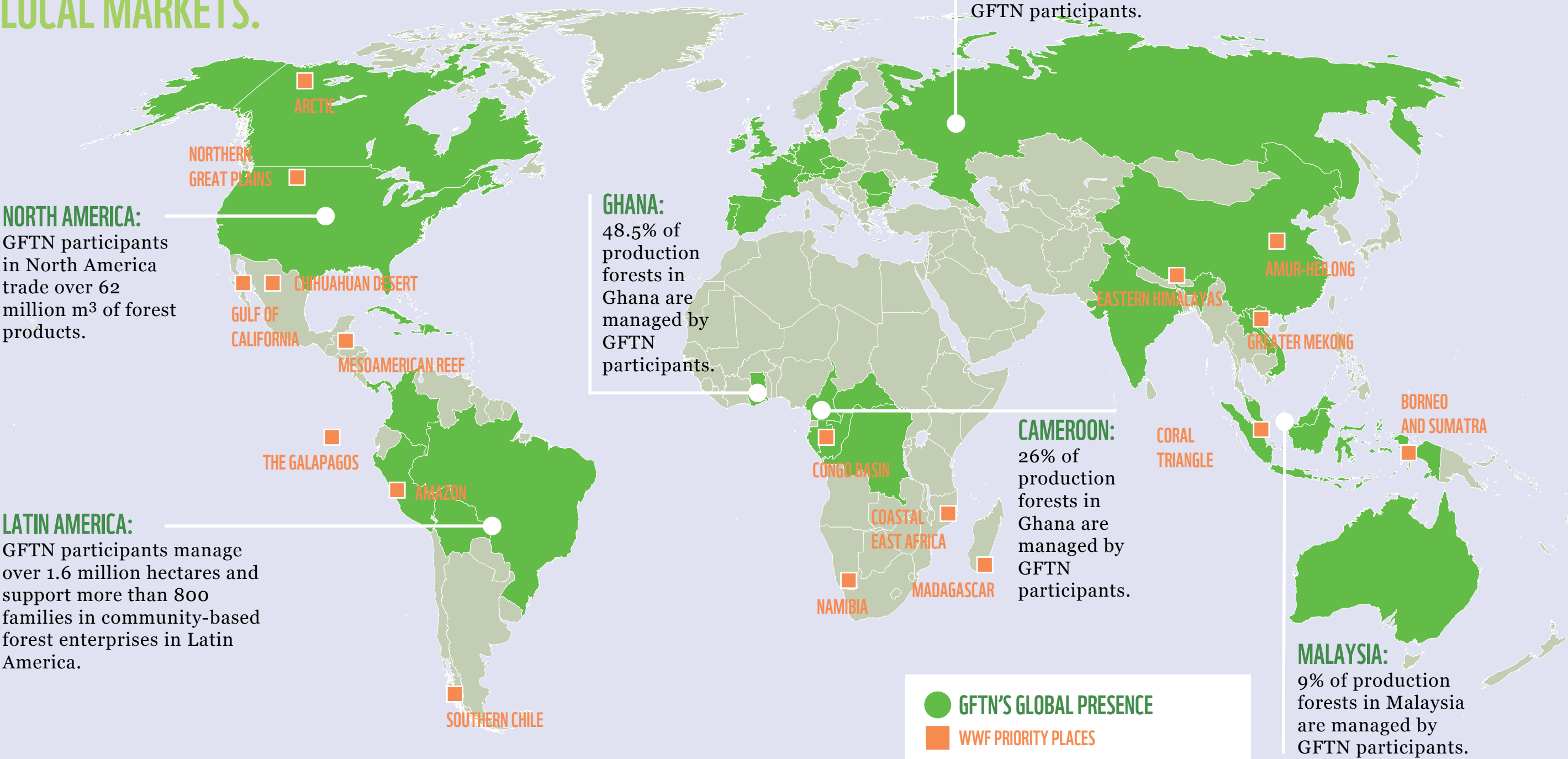
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GLOBAL FORESTS. LOCAL MARKETS.



GFTN GLOBAL STATISTICS



GFTN ENCOMPASSES MORE THAN **250 GLOBAL COMPANIES**, EMPLOYING OVER **292,000** PEOPLE IN PRIMARY SECTORS AND OVER **1 MILLION** PEOPLE WORLDWIDE.

NEARLY **15 MILLION** HECTARES OF FORESTS MANAGED BY GFTN PARTICIPANTS ARE IN WWF PRIORITY PLACES.



GFTN PARTICIPANTS TRADE **217 MILLION M³** OF TIMBER AND FIBRE PRODUCTS, TOTALING **12.6%** OF GLOBAL TRADE BY VOLUME.



YEAR IN REVIEW

MESSAGE FROM GFTN HEAD, GEORGE WHITE



George White, GFTN Head
© WWF/GFTN

The past year has been a tough one for all who rely on and strive to achieve responsible forest management. From the depressed housing markets of the U.S. to the Eurozone crisis and lower growth rates in China, global economic forces have had a profound effect on the forest products market.

Two years ago, I was gravely concerned that the tough trading conditions, higher costs for producers and reduced demand from many end users would cripple efforts to increase the area of credibly certified forest whilst providing incentives for “no questions asked” sourcing of materials. I am very pleased to be able to say that this does not appear to have come to pass. The enduring level of commitment — evident from the majority of GFTN participants and the unwavering support of our many donors and partners — have combined to continue to drive change and support for responsible forest management. For a programme such as GFTN, which is reliant upon a willing industry and market-based mechanisms to drive improvements in forest management, this has been welcome news.

Over the past year, a great deal of time has been invested in assessing WWF/GFTN’s performance and the efficacy of our strategy. There are numerous areas where we need to improve, including strengthening programme governance and better communicating about our work to the public and business sector. We have already begun to address some of the recommendations made, such as changes to the Participation Rules that guide our engagement with companies and we will continue to reflect on the recommendations that were made to us. But I am buoyed by the fact that GFTN has been instrumental in changing attitudes, driving demand for responsibly produced forest products and helping companies achieve forest certification in the places that matter most. With our participants purchasing over 200 million m³ of round wood equivalent, and half of this FSC certified, GFTN will continue to facilitate a powerful market force for change. As the GFTN programme moves into its third decade, we will take all the lessons learned from previous experiences to ensure that the industries we engage with are not at the bleeding edge, but at the vanguard of the new mainstream way of working.

Perhaps our greatest asset as a network – independently recognised in our evaluation, and appreciated every day by our participating companies – is the strength of our staff. The level of technical knowledge, enthusiasm and passion that they display is one of the keys to our success. From raising awareness globally about the dangers of deforestation to finding innovative solutions for the private sector to protect biodiversity, the GFTN staff work relentlessly in some of the world’s most difficult places and with some of the most challenging companies to save the world’s threatened forests.

This report covers but a small sample of our collective achievements, but I hope it illustrates the diversity of the work we do across the globe with communities, companies and forest managers to ensure that we continue to have living forests. While this Annual Report is very much a WWF report, none of the achievements we lay out here would be possible without the continued willingness of the global forest industry to engage and to improve their performance wherever they are placed in the value chain. Through these pages, we pay tribute to the power of NGO-business partnerships that continue to play a leading role in shaping the industry and mitigating its impact on production forests.

George White
george.white@wwf.panda.org

JULY 2011

SAVING THE ORANGUTANS' HABITAT

PT. Suka Jaya Makmur (SJM), a subsidiary of the Jakarta-based Alas Kusuma Group and a GFTN participant in Indonesia since 2009, achieved FSC certification for over 170,000 hectares of forest area in West Kalimantan. SJM's concession is home to orangutans, a WWF priority species that is rapidly losing its habitat and is in danger of extinction. WWF worked with SJM to conduct a survey of orangutans in its concession and design a species management plan that will preserve the home of these critically endangered species.

In the Indonesian side of Kalimantan alone, 70 per cent of the orangutan population lives outside of protected areas, in lands that are logged by concessionaires. To guarantee the orangutans' long-term survival, it will be critical for companies to practice responsible forest management and to integrate a conservation plan into their business practice.



Orangutan sub-species, West Kalimantan
© Sugeng Hendratno/WWF-Indonesia

TAPPING INTO THE VALUE OF ECOSYSTEM SERVICES

WWF launched an innovative new project, led by the Forest Stewardship Council, to tap into the value of ecosystem services. The Forest Certification for Ecosystem Services (ForCES) project aims to preserve the world's forests by valorizing the many services that intact ecosystems provide and in turn, support or enable forest owners, managers and communities to commit to responsible forest management. By economically quantifying ecosystem services such as water and preserving the forest area to protect its quality and sustainability, the project – for the first time ever – links a Payment for Environmental Services (PES) scheme to credible certification. The three pilot sites include:

Lombok Island:

WWF is working with community forest managers to implement the PES scheme in 6,000 hectares of tropical mountain forest.

West Kalimantan:

WWF will work with National Parks on standards for water, biodiversity and ecotourism for 73,000 hectares of rainforest, home to orangutans.

East Kalimantan:

WWF is working with GFTN Participant PT. Ratah Timber to develop standards for biodiversity and carbon for 97,690 hectares of production forest.



West Kalimantan
© Dita Ramadhani/WWF-Indonesia

AUGUST 2011

FIRST FSC CERTIFIED RATTAN FOREST IN LAOS

In recent decades, rattan has become an essential product in the non-timber forest products industry, but overharvesting and land conversion has rapidly led to a decline in natural rattan. Additionally, the conventional method of rattan production, which includes the use of toxic chemicals and petrol, not only leads to forest degradation and affects overall forest ecosystem services, it also negatively impacts people's health and threatens supply in the long-term.

WWF's pioneering work to move towards responsible management of rattan came to fruition when 1,200 hectares of rattan forests in Laos – the world's first – were certified by FSC. The forest is located in Bolikhamxay Province in Laos, home to diverse wildlife such as the rare saola. FSC certified rattan is not only sustainable but also economically viable for local communities, bringing them extra income.

WWF and government authorities plan to expand FSC certification of rattan forests to another 24 villages by 2014, with a total area of 20,000 hectares in Bolikhamxay, Savannakhet, Saravan, and Khammouane provinces.



Rattan furniture – © Simone Stambach/WWF GFTN-Switzerland



Rattan production in Laos
© Simone Stambach/WWF GFTN-Switzerland

SEPTEMBER 2011

GFTN CELEBRATES 20TH ANNIVERSARY

His Royal Highness, the Prince of Wales, gave a keynote speech at an event marking the 20th anniversary of GFTN and the GFTN-UK annual meeting, and was also announced as the new President of WWF-UK. Prince Charles stressed the urgency of concentrating on efforts to protect the Earth's natural capital, and praised WWF and GFTN for bringing together companies to save the world's forests.

Celebrating 20 years of achievements in promoting responsible forestry and trade, GFTN also held a separate anniversary celebration to reflect upon lessons learnt and discuss future strategies in tackling emerging challenges. Approximately 200 stakeholders from across the world attended a two-hour session featuring leading experts and industry leaders, followed by a reception.

Two decades ago, no markets existed for environmentally and socially responsible forest products. Concepts such as traceability, verification, chain of custody and due diligence were mere theory. In helping to define and implement these concepts, GFTN has played a pivotal role in transforming the global market towards one that values environmental and social responsibility. At its 20th anniversary, GFTN launched a call for concerted and coordinated partnerships to conserve the world's forests and drive Zero Net Deforestation and Forest Degradation by 2020.

GFTN also had a strong presence at the Timber Expo in the UK, a dynamic event that brings together leading timber and forest product companies and the construction sector to forge relationships, explore, learn and enter new markets. George White, GFTN Head, spoke at the "Timber Talk" seminar and the expo's attendees got the opportunity to meet WWF staff from around the world at GFTN's interactive multi-display booth.

The next decade is critical for the global forest sector as the world's population and consequent demands for all kinds of forest products grow. As emerging economies such as China and India strive to meet the demands of their growing domestic markets for wood, fiber and energy, enormous stress is being placed on our natural forests. Only by making responsible forest management and trade "the global norm" will we be able to reverse these worrying trends in demand.

- George White, GFTN Head, 20th anniversary celebration

1. The Prince of Wales at GFTN's 20th anniversary – © Arthur Edwards
2. George White, GFTN Head, speaking to the panel – © Tristan Fewing/WWF-UK
3. From left to right: Savio C.K. Chow, General Manager, China Flooring Co. Ltd. (Nature); Rachel Butler, European Timber Trade Federation; Fiona Wheatley, Sustainability Manager, Marks and Spencer; George White, Head of GFTN; Rod Taylor, WWF International Director of Forests Programme and Joao Paolo, Acre (Brazil) State Forest Representative – © Tristan Fewing/WWF-UK



OCTOBER 2011

WWF AWARDED FOR 20 YEARS OF DEDICATION TO FORESTS

WWF received an award for outstanding contribution to the work of FSC in the UK and its ongoing commitment to safeguard forests around the globe, including the "What Wood You Choose?" (WWYC) campaign. The award was presented to George White, GFTN Head, by Charles Thwaites, Executive Director of FSC UK, at the Timber Expo in Coventry. The event recognised GFTN and its two-decades long commitment to credible forest certification and raising awareness about the benefit of purchasing FSC products.

As part of the WWYC campaign, WWF worked with local authorities and placed advertisements in the national press and bus stations to encourage individuals to pledge to choose FSC products.



George White, GFTN Head, and Charles Thwaites, Executive Director, FSC UK – © WWF/GFTN

FIRST FSC LABELLED TISSUE PRODUCTS LAUNCH IN U.S

GFTN participant Kimberly-Clark Corporation became the first U.S. tissue maker to offer branded FSC labeled consumer tissue products in the country. The company's "Kleenex" facial tissue and "Scott Naturals" brands sold in North America are made from fibre sourced from suppliers who have been independently certified by FSC.

Kimberly-Clark ramped up its focus on responsibly sourced fibre in 2003, when the company became the first tissue company in the U.S. to ask its suppliers about the origin of their products and to pressure them to become certified. Nine years later, 100 per cent of wood fibre in the company's products came from certified sources.

Kimberly-Clark joined GFTN in 2009 and in June 2011, its participation was expanded to include its worldwide operations, building on its existing GFTN participation in select countries. WWF has collaborated with the company to help it achieve its commitment to source 100 per cent virgin wood fibre from certified suppliers, which the company did almost three years ahead of its targeted 2015 date. This commitment includes a preference for FSC certification, which best meets WWF's requirements for protecting environmental, social and economic values.



Kimberly-Clark's Kleenex facial tissue – © Kimberly-Clark



FSC logo on logs – © N.C. Turner/WWF-Canon.

Hoh Rain Forest, Olympic National Park, Washington, USA – © Fritz Pölking/WWF



Seminar delegates
© WWF-Spain/Coral Garcia Baron



Delegates view FSC certified benches
© WWF-Spain/Coral Garcia Baron



George White,
GFTN Head
© WWF/GFTN

NOVEMBER 2011

MARKETS DRIVE CONSERVATION IN CENTRAL AFRICA

Certification has shown that commercial forestry can co-exist with conservation objectives in the Congo Basin, according to conclusions reached at the “Forest management as a tool for cooperation and rural development in Central Africa” seminar in Madrid, Spain, organized by GFTN in cooperation with the Ministry of Environment, Rural and Marine Affairs of Spain.

The Congo Basin is home to the second largest tropical forest after the Amazon, representing 180 million hectares – more than 15 per cent of the world’s tropical forests. Since the first such seminar took place in 2006, certification in the Congo Basin has grown from around 41,000 hectares in 2006 to more than five million hectares. Legislative processes to combat illegal trade of forest products in both the Congo Basin and Europe have also started to change the market landscape, increasing focus on legality in the region and boosting public procurement in favour of legal and certified forest products. Yet many challenges still remain, the key one being market demand for FSC.

The market will have to play an important role in increasing the demand for FSC and ensuring that the demands of both legislation and credible certification are met.

SEEING THE TREES, NOT THE WOOD

GFTN took part in a private-sector focused business and biodiversity symposium part organized by The Global Business of Biodiversity and Global Business of Forests. GFTN Head George White spoke on the role of the finance sector in promoting responsible forestry and trade, how sustainable forest lending policies can become standardized across financial institutions, and what the opportunities are for banks to integrate sustainable forestry into their product portfolio.

One way for banks to ... effectively engage with SMEs (small and medium enterprises) could be to reduce finance transaction costs and to find suitable ways to safeguard themselves from risk. New value streams, such as forest carbon, or financing a sustainable supply chain - which means that the retailer provides some level of guarantee to the bank, which will be inclined to provide capital at more attractive rates - are possible solutions that should also be considered. Another approach would be for the financial institutions to find cost effective ways to consider smaller investments or for domestic banks to begin to adopt the more progressive policies of the larger international institutions.

George White, GFTN Head

DECEMBER 2011

CHINA’S LARGEST REAL ESTATE FIRM VANKE JOINS GFTN

The Vanke Group, China’s largest real estate developer, joined GFTN with the aim of greening its engineered flooring products supply chain and ending the purchase of unwanted and high risk timber species. Vanke works with its suppliers to implement responsible purchasing policies and increase the amount of credibly certified products. It is also committed to promoting FSC certification. Vanke and WWF-China reached a full agreement on environmental protection and sustainable development in March 2012.

Vanke provides housing for 370,263 homeowners in 53 Chinese cities, with annual sales revenue totalling approximately RMB121.54 billion (US\$19.17 billion) in 2011. Vanke has advanced energy conservation in its own business and the real estate sector by switching to prefab homes and eco-homes. It has also taken the lead in developing and applying new technologies in renewable energy, forest conservation, carbon footprint reduction and biodiversity.

Vanke is impressed by WWF’s environmental goal to achieve Zero Net Deforestation and Degradation by 2020, and the vision to have 100 per cent renewable energy supply by 2050. I hope that through the partnership, Vanke could do our fair share to conserve the planet, through jointly defined targets on carbon reduction, eco-management and forest preservation. The international technical support of WWF will keep us on the right track to hit those targets.

- Wang Shi, Chairman, Vanke Group



A Vanke construction site – © Vanke
Vanke Center – © Vanke





Quechua child – © Gustavo Ybarra/WWF-Canon

JANUARY 2012

GFTN PARTICIPANT SELLS FIRST DUAL LABELLED TIMBER

GFTN-Bolivia participant Multiagro sold the first timber to carry the dual FSC and Fairtrade label. The furniture, distributed in Europe by German company Quadrato, was made of timber sourced from Quechua indigenous communities in Cochabamba, Bolivia.

Multiagro extracts patula and radiata pine species from plantations owned by Quechua communities, and supplies the sawn wood to companies engaged in the manufacturing of toys and furniture.

GFTN began working with Multiagro, a Bolivian FSC certified timber processing company, in 2006 to help it find new international markets for its products.

Multiagro was selected to take part in the FSC-Fairtrade pilot project and was the first to be granted legal rights to purchase, log and process the pine trees from the Cochabamba community forests. The dual labelling project between FSC and Fairtrade, initiated in 2009, is the first of its kind in the world and is designed to help community-based and small-scale timber producers in the Global South get a price premium for their products and to distinguish themselves in the marketplace.

A pine sawmill run by Multiagro – © Gjis Breukink/WWF-GFTN



FEBRUARY 2012

OLYMPIC VILLAGE ACHIEVES FULL FSC CERTIFICATION

GFTN participant Lend Lease's 2012 Athletes' Village achieved full FSC certification, marking the first time that such a large-scale and complex project in the UK won the coveted certification. Achieving FSC certification also enabled Lend Lease to meet a key part of the Olympic Delivery Authority's sustainable timber objectives.

Timber should have a low environmental impact and can be highly sustainable – but it has to be responsibly sourced. The FSC monitors every stick of wood right the way through the supply chain. They can say with certainty that the people who cut down the trees are being employed responsibly, that the land they were grown on was properly managed and the trees used were replanted. This award underlines how committed we are to developing sustainably and how important it is now to our clients. It is a clear point of competitive advantage for Lend Lease.

- Pascal Mittermaier, Head of Sustainability, Lend Lease



Houses of Parliament and London Eye, London, England – © Andy Davies/365images.com



Visitors review areas on the site map providing a timeline of events at the 2012 Olympic construction site - © Terry J Alcorn

KIMBERLY-CLARK LAUNCHES SUSTAINABLE BATH TISSUE IN THE UK

GFTN participant Kimberly-Clark launched Andrex Eco in the UK, the market leader’s first truly pioneering sustainable toilet tissue made from an innovative combination of sustainable sources: 90 per cent recycled fibre and 10 per cent natural bamboo. A unique manufacturing process combines these fibres. The product is fully FSC certified and comes in 100 per cent recycled and recyclable packaging.

Andrex Eco’s introduction in the market marked the first time that bamboo had been used in toilet tissue by a major brand in the UK. Bamboo is one of the fastest-growing plants in the world, and produces significantly more fibre on less land than trees traditionally used to make tissue paper. The bamboo sourced for Andrex Eco is FSC certified. The recycled fibre that makes up 90 per cent of the Andrex Eco product is sourced from the UK and Ireland.

The eco sub-category currently only represents 3.5 per cent of the toilet tissue market (in the UK), but we know there is greater demand for a quality sustainable product, so there’s a real opportunity for us as market leader to raise the bar in terms of quality and softness and meet the high expectations and needs of consumers.

- Jon White, Marketing Director, Tissue Products, Kimberly-Clark Europe



Andrex Eco tissue roll – © Kimberly-Clark

VON HUMBOLDT AND WOOD TROPICAL FOREST JOIN GFTN

WWF-Peru welcomed two new participants to GFTN, Von Humboldt Forest SAC and Wood Tropical Forest S.A., both located in the Amazonian rainforest.

Von Humboldt manages 44,306 hectares of forest in Ucayali in inland Peru, along the banks of the Aguaytia River. The concession’s strategic location gives the company a natural advantage in transporting timber, with its main suppliers being local companies. Von Humboldt has demonstrated a firm commitment to credible certification, even though its concession is vulnerable because of illegal crop growers nearby. Von Humboldt received FSC forest certification in December, 2011. WWF and Von Humboldt are working together to mainstream responsible forestry and reduce illegal logging and to ensure and to stop the invasion of illegal crops such as coca. There are also joint efforts underway to tackle the issue of land tenure and mitigate conflict between companies and communities.

Wood Tropical Forest operates 46,449 hectares of forest in Madre de Dios in the Southwestern Amazonian Moist Forests. The company, which supplies wood to local firms, achieved FSC certification in February 2012. The company is working with WWF to develop stronger links with buyers of wood products and to increase awareness of responsible forest management.



Loggers in Peru - © André Bärtschi/WWF-Canon

Forests of Ucayali, Peru - © André Bärtschi/WWF-Canon

WWF RELEASES GFTN EVALUATION, OUTLINES NEXT STEPS

WWF released an in-depth evaluation of the global GFTN programme and announced plans to make it stronger and more effective. WWF commissioned the independent evaluation, which was part of GFTN’s strategy.

The evaluation, covering fiscal years 2008-2011, reaffirmed that GFTN is an important part of the forestry sector and has played a pivotal role in helping companies progress towards responsible forest management and ensuring their products come from legal and sustainable timber harvests. The evaluation recommended specific measures for GFTN to incorporate in its business plan and strategy, to further contribute to WWF’s wider goals of conservation and Zero Net Deforestation and Forest Degradation. Among others, GFTN pledged to:

- Review its Global Strategy against WWF’s wider mission and identify key integration points to further advance WWF’s conservation goals.
- Review Participation Rules and performance criteria with the aim of disengaging companies that are not committed to GFTN’s mission of responsible forest management.
- Strengthen management systems and programme governance to ensure uniformity and improve communication.
- Increase engagement with local organizations and institutions to broaden demand for responsible forestry.
- Develop tools to better communicate with the public and business sector with the aim of increasing transparency.

GFTN PARTICIPATES IN TIMBER TRACKING TECHNOLOGIES WORKSHOP

GFTN was represented at a workshop sponsored by the International Tropical Timber Organization (ITTO) where George White, GFTN Head, spoke on the importance of timber tracking technologies and WWF’s successful experience with DNA testing, isotopes, fibre identification and sniffer dogs to determine the origin of wood.

Almost 100 participants from around the world, representing governments, corporations and the non-profit sector, shared their experiences on application of tracking technologies and how they can be employed to improve forest governance.



George White, GFTN Head
© ITTO

FSC LABELLED BEVERAGE CARTONS SURGE IN GERMANY



The first FSC labelled beverage cartons in Germany – © SIG Combibloc

Germany’s beverage carton industry reached a milestone as the number of FSC certified cartons sold in the country surpassed the 50 per cent mark. Consumers were virtually unaware of FSC until two and a half years ago, but the commitment by the country’s top three suppliers changed that course. GFTN participants SIG Combibloc and Tetra Pak have led efforts to promote FSC to consumers and to raise awareness about sustainability issues. The country’s top three suppliers, which include SIG Combibloc and Tetra Pak, set a goal to achieve 85 per cent FSC certification of beverage cartons and labeled packages by 2015. Given the rapid progress that has been made, the three companies are well ahead of their target.

WWF SIGNS AGREEMENT WITH IDH TO PROMOTE FSC IN CONGO BASIN

WWF signed an agreement with IDH and FORM to promote FSC certification and responsible forest management in the Congo Basin. WWF, through GFTN, will advise IDH’s Congo Basin Programme (CBP) on promoting FSC and public-private partnerships in the region. In addition, GFTN will help identify service providers in the programme and assist CBP in monitoring progress in the region. The organizations will collaborate on creating an enabling environment for FSC certification in the region, such as supporting finalization of the regional/national FSC standards and strengthening governance.



Logger in Cameroon – © Brent Stirton/Getty Images/WWF-UK

Motorbike on a forest road, Cameroon
© Brent Stirton/Getty Images/WWF-UK

REGIONAL REVIEW

TRANSFORMING MARKETS

FSC catches consumers' eyes in Europe

From the Lacey Act in the USA to the EU Timber Regulation, which takes effect in March 2013, buyers of wood products are under greater scrutiny about the source of their wood products. While legality is one step towards responsible forest management, it is not the final one, and credible certification is increasingly being recognized as a way to distinguish well-managed products.

FSC forest certification provides assurance to buyers of wood products and consumers that the wood is legally harvested and comes from a responsibly managed forest.

Global awareness of the FSC label has increased in the last three years, according to FSC Business Value and Growth: Global Market Survey 2011. Two-thirds of respondents in FSC's survey said that awareness of FSC and responsible forestry grew since 2009. More than half of those surveyed said they expect FSC certification will help them gain new clients in the next 12 months, and two-thirds said they plan to source more FSC material to meet growing demand. In Switzerland alone, FSC prompted brand recognition rose to 70 per cent in 2011.



Cork oak tree, Spain
© Edward Parker/WWF-Canon

Across Europe, GFTN participants are leading the way in credible certification.

GFTN participants in Portugal and Spain, the two largest cork producing countries in the world, represent one-third of the world's cork market. Seven per cent of all cork brought through these companies is FSC certified, a significant leap from six years ago when FSC was little known among cork producers and buyers.

Among GFTN-UK participants, 61.2 per cent of the wood is coming from credibly certified sources, 7.8 per cent from recycled sources, 24.6 per cent where legality is established as a minimum – leaving just 6.4 per cent

with limited or no knowledge of the source. For these participants, it's not just about fulfilling legal requirements, but the real goal is responsible sourcing and sustainability.

In Germany, GFTN participants have helped propel the number of FSC labelled beverage cartons, from zero just two and a half years ago to more than 50 per cent today. GFTN participants SIG Combibloc and Tetra Pak have worked diligently not only in Germany but around the world to make FSC more visible and convince retailers to purchase credibly certified products. As a result, there is growing momentum among retailers in key markets such as Germany to address the issue of sustainability, make the FSC label more visible and to demonstrate to consumers that they are frontrunners in sourcing responsibly produced paper products.



Lazovsky State Nature Reserve, Russia
© Vladimir Filonov/ WWF-Canon

Over 50 per cent of Tetra Pak’s cartons in Brazil, Germany, Argentina, UK, Belgium, Switzerland and the Netherlands are FSC-labelled, and for 2012 the company forecasts more than four billion FSC-labelled cartons to be sold in China alone, and more than seven billion in Brazil. In 2012, Tetra Pak introduced the first FSC-labelled cartons in Russia and Ukraine and aims at bringing over 500 million labelled cartons to Russia, Ukraine and Kazakhstan by the end of 2013.

SIG Combibloc is the only beverage carton supplier in the world that has 100 per cent FSC Chain of Custody (CoC) certification for its paper board supply and all its production facilities and sales units. SIG Combibloc’s cartons carrying the FSC label are now available in 21 countries and the company’s goal is to increase the percentage of FSC-labelled cartons worldwide to 40 per cent from 2010 to 2015.

FSC certification on the rise in Russia

On the production side, FSC is rapidly gaining momentum in Russia, a key supplier to western European markets. The FSC certified forest area in Russia expanded from 32,700 hectares in 2000 to nearly 33 million hectares in October 2012, and the rate of FSC CoC certification is the highest it has ever been, partly a testament to WWF’s work to expand and improve quality of certification in the country. WWF is working with influential companies like IKEA and Stora Enso to help them find credible producers and assist in certification. WWF, through GFTN, provides important technical assistance to its participants to achieve FSC certification and find new markets for their products.

New changes in Russia’s forestry laws focus more on regional authority, which makes it necessary to raise awareness among regional officials about responsible forest management and forest certification. WWF-Russia developed and implemented a programme that included a number of regional workshops to raise awareness about credible certification.

WWF also launched an FSC promotion campaign, which demonstrated that there is increasing interest among the public in FSC products, particularly among corporate consumers of forest products. The second stage, which launched in June 2012, showed that interest in FSC among the domestic market is growing.



Legal logging operation, Russia – © Vladimir Filonov/WWF-Canon

The Green Heart of Cork

In many cultures, the sound of a cork popping out of a bottle is synonymous with joy and celebration. Cork stoppers originate in landscapes that cover nearly 22,000 square km of Portugal, Spain, Algeria, Morocco, Italy, Tunisia, and France. They are a vital source of income for thousands of people and support one of the world’s highest levels of forest biodiversity, including endemic plants and endangered species such as the Iberian Lynx, the Iberian Imperial Eagle, and the Barbary Deer.

Commercial exploitation is beneficial because cork comes from the bark of the oak tree that renews itself after harvesting. But if the demand for cork is not maintained, there’s a risk the cork oak landscapes will, within a decade, face increased poverty, more forest fires, loss of biodiversity, and faster desertification.

To stop this trend, WWF established The Green Heart of Cork (GHoC) project to conserve the world’s largest area of cork oak woodland, located over the largest Iberian aquifer and home to some of the biodiverse habitats of the Mediterranean. The GHoC aims to compensate landowners who contribute to the improvement of basic services that ecosystems provide: carbon sequestration, soil formation, regulation of the water cycle and biodiversity.

In 2012, the first partnership between a buyer and a GFTN participant was forged under the GHoC scheme when Coca-Cola Portugal began paying APFCertifica for its ecosystem services under a scheme developed by WWF. APFCertifica is a group scheme that includes 41 forest landowners practicing responsible forest management. Approximately 600 hectares in the group’s forest concessions were identified as critically important to biodiversity and water recharge of the aquifer T3 and therefore were considered High Conservation Value (HCV) areas.

Coca-Cola paid EUR17 per hectare to APFCertifica forest landowners in the area identified as HCV, located in sensitive areas for water recharge of aquifer T3 and certified by FSC. WWF mediated the partnership between Coca-Cola and APFCertifica, and annually monitors the group’s HCV areas and helps them improve their management plans.

Innovative schemes such as GHoC demonstrate that it is possible to practice responsible forest management while sustaining biodiversity. With WWF’s leadership, the cork industry has taken the next step in sustainability, providing greater hope for these unique forests.

From South to North

As global markets become increasingly intertwined, it will become all the more important to bridge the gap between the increased demand for certified sustainable products in the North and untapped potential in southern WWF priority regions. WWF-Switzerland’s “From South to North” project aims to do just that. By focusing on capacity building of producers in the South, the project’s goal is to prepare them for the international market while contributing to responsible resource management. The objective is to get 2.5 million hectares of forests in WWF priority places in the South certified by 2020, double the size of the Swiss forest cover.

As part of the project, WWF-Switzerland is working actively to expand FSC certified area in the Southern Laos Priority Landscape, with the goal that 25,000 hectares of rattan forest will achieve FSC certification by end of 2014. WWF is working to establish a sustainable supply chain for timber and rattan from Laos to Europe in collaboration with retailer Coop. WWF-Switzerland is also building capacity in Bolivia, Colombia, Panama and Peru with the aim of certifying 740,000 hectares of forest in the Amazon and Chocó-Darien by June 2015.

Recognizing the growing footprint of pulp and paper conglomerates, WWF-Switzerland scaled up capacity in South America to develop a pulp and paper strategy and increase high conservation value areas, as well as FSC-certified plantations in South America.

Cork stoppers from the first FSC certified cork oak forest in Spain - ©Isaac Vega/WWF-Spain

PROTECTING BIODIVERSITY

New hope for orangutans, pygmy elephants in the Heart of Borneo

Orangutans are one of humanity's closest relatives, yet they are in dire danger of extinction. Lowland forest habitats in Borneo and Sumatra – the only two places where orangutans survive in the wild – are being cut down for timber or burned to make way for palm oil plantations and agricultural developments. In Borneo alone, orangutans have lost 80 percent of their habitat. Consequently, the population of Asia's only great ape has dropped dramatically in recent decades, with the number of Bornean orangutans declining by more than 50 percent over the past 60 years.

The story of another endangered species, the Borneo pygmy elephants, follows the same tune. These baby-faced pachyderms are considered to be gentler than their Asian elephant counterparts. But rapid habitat loss caused by palm oil plantations has brought these elephants increasingly into deadly conflict with humans.

A male orangutan
© naturepl.com/Edwin Giesbers/WWF



Over the past four decades, 40 per cent of the forest cover of the Malaysian state of Sabah, on the northeast of Borneo – where most of Pygmy elephants live – has been lost to logging, conversion for plantations and human settlement. As a result, only about 1,000 such elephants are left in Sabah and less than 100 are estimated to live in East Kalimantan, Indonesia.



Borneo pygmy elephants, Malaysia – © Cede Prudente/WWF

With economic incentives taking the front seat for many forest management companies that operate in these ecologically rich areas, it is increasingly important to guide them to harvest responsibly without damaging the habitats of endangered wildlife.

WWF/GFTN is working actively in the Heart of Borneo and finding unique, innovative ways to help companies strike a balance between economic gain and conservation.

In West Kalimantan, WWF is assisting PT. Suka Jaya Makmur (SJM) preserve the home of the orangutans. SJM, which became a GFTN participant in 2009, achieved FSC certification for over 170,000 hectares of its forest concession in July 2011 by working closely with WWF and other NGOs to incorporate a species management plan into its business practices.

In conjunction with WWF, SJM conducted a survey of orangutans within its concession, and has taken steps to preserve the orangutans' habitat, such as preserving and maintaining fruit trees that provide food for them, preventing poaching, and avoiding areas with a high orangutan population. WWF is also working with two other concessions in West Kalimantan covering an area of around 300,000 hectares to encourage the island's inhabitants – humans, apes and countless other species – to thrive together.

WWF is applying the same principles in its work with PT. Adimitra Lestari, a GFTN applicant in East Kalimantan, to protect the habitat of Borneo pygmy elephants. Through engagement with WWF, about 52,000 hectares of forest area managed by PT. Adimitra Lestari is set to achieve FSC certification by 2014. In April 2012, WWF conducted elephant conflict mitigation training for the staff and also taught them how to integrate elephant conservation into their practical work. WWF also established an Elephant Conflict Mitigation Task Force, the members of which are recruited from local communities.

Orangutan and pygmy elephant survival in the Heart of Borneo also received a major boost in neighbouring Malaysia with the FSC certification of nearly 300,000 hectares of important habitat in the forest reserves of Ulu Segama-Malua and Tangkulap-Pinangah in Sabah in June 2011. This milestone, achieved by the Sabah Forestry Department (SFD) with close assistance from WWF, quadrupled the area of land that is FSC certified in Sabah.

Sabah's FSC certified sites are considered to have the highest density in the world of orangutan sub-species, *Pongo pygmaeus morio*, and the Borneo pygmy elephant. WWF has been actively working with SFD, a GFTN participant since 2007, to promote the uptick of FSC certification and to reverse the destructive trajectory of illegal and irresponsible logging that is threatening the rich forests of Sabah.

GFTN provides on-the-ground, technical assistance to SFD with an extensive understanding of the local context and the structured framework needed to address the ecological and social requirements of certification. GFTN also helped facilitate an increase in market demand for responsibly produced forest products and supported SFD in overcoming common challenges such as engaging local communities in the process of forest management decision-making and developing a Forest Management and Certification Awareness project.

The long-term survival of treasured species such as orangutans and Borneo pygmy elephants is critically dependent on responsible forest management. WWF will continue to work actively with companies that have demonstrated a commitment to responsible forest management achieve their sustainability goals and achieve Zero Net Deforestation and Degradation by 2020.



Members of the Indonesian army take part in a training organized for PT. Adimitra Lestari staff
© WWF-Indonesia

Pongo pygmaeus orangutan mother and baby, Malaysia – © Martin Harvey/WWF-Canon



DEVELOPING SUSTAINABLE LIVELIHOODS

A new sustainable future for communities in Latin America

Deep in the ecologically diverse forests of Panama's Chocó-Darién ecoregion reside the Emberá-Wounaan, an indigenous community rich in tradition and heritage. The Emberá-Wounaan are a peaceful group that should be reaping the economic benefits that forests offer but for decades, they were cheated of the true value of their timber. While profits of timber companies operating in the region continued to grow, the communities became poorer and poorer.

“We never worked with a contract. The price of timber was imposed by the wood traders and those prices were below the real value of wood,” said Raúl Majoré, a member of the Marragantí village and manager of the El Bálsamo Community Forest Enterprise. “It's an unfair fight.”

For Majoré, there is only one way to solve the issue of exploitation: responsible forest management.

Across Latin America and the Amazon, several indigenous communities are taken advantage of by private enterprises. Other times, when communities do have ownership of their forests, they lack the information, expertise and market links to practice responsible forestry, depleting the very resources they depend upon for survival.

With international markets rapidly becoming more connected, it is now more important than ever to help communities take control of their resources and practice responsible forestry to get a better price for their products. GFTN is working closely with communities like the Emberá-Wounaan to teach them responsible forest management as a way to safeguard their economic future.

In 2004, GFTN began to train the Emberá-Wounaan on responsible forest management, improving business practices and how to ultimately secure a sustainable income. That project was expanded in 2011. With support from the Caterpillar Foundation, GFTN provided business advice and training to ten Emberá-Wounaan communities in the areas of technical assistance and planning in forest management.

The project generated \$390,000 in sales in local and international markets, resulted in \$1 million in new investment from banks and the private sector and created numerous jobs. A total of 45,000 hectares of forests managed by such communities in Chocó-Darién achieved FSC certification.



Forest management scheme control tag, Iñapari, Peru – © Dado Galdieri/WWF-Canon

Raul Dance, WWF Wood Products Marketing Specialist, with community members, Panama – © Miguel Pacheco/WWF-GFTN



Responsible forest management fosters market links

In Bolivia, an estimated 40 percent of the population depends to some extent on forest resources. Many of these belong to the Quechua communities in Cochabamba, high up in the scenic mountains of the Eastern Cordillera of the Andes. Approximately 20 per cent of the rural population in Cochabamba is impoverished and the illiteracy rate is close to 70 per cent. Most people have little access to basic public services.

The government shifted much of the ownership of forest concessions to communities, as a result of which FSC certification of forests – once one of the highest in the region – quickly plummeted.

While FSC certification delivered environmental and social benefits, additional tools were needed for the communities to cover the extra costs and reach external markets. With that issue in the forefront, a pilot project entailing dual labelling between FSC and Fairtrade was undertaken in Bolivia.

GFTN participant Multiagro, a Bolivian FSC certified timber processing company sourcing timber from plantations owned by Quechua communities, was selected to take part in this pilot project and was the first to be granted legal rights to purchase, log and process the pine trees from the Cochabamba community forests. In January, 2012, Multiagro sold the first dual labelled timber in the international market.

Companies in Bolivia continue to face the challenge of attaining FSC certification while achieving economic gains. Since 2006, GFTN has worked with a broad array of actors in the forestry sector, ranging from artisanal toymakers and international timber trading companies to small-scale community enterprises in the highlands of the Andes Mountains, to help them overcome these barriers.

GFTN has played an important role in building bridges between the private sector and communities, and ensuring that the interests of the communities are safeguarded while companies also achieve financial gains. GFTN is developing innovative approaches to further help communities understand and practice responsible forest management, and providing support to the private sector to forge international market links.

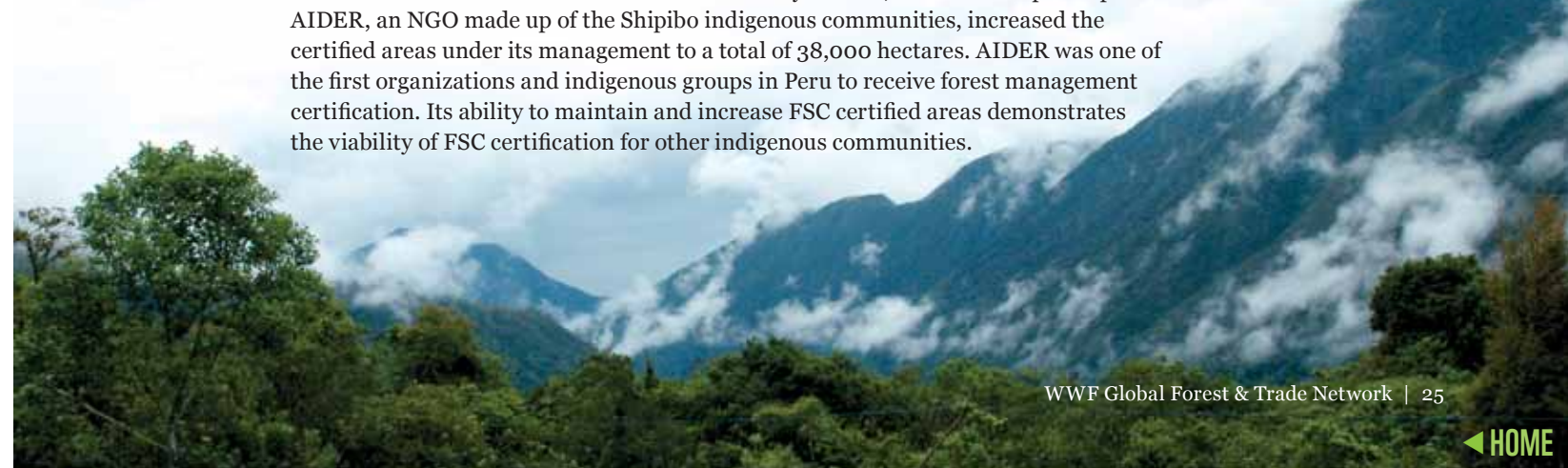
Supporting community-based forest management is a cornerstone of sustainable development and fundamentally important to preserving forests.

WWF's work with communities continued actively in Peru, where GFTN participant AIDER, an NGO made up of the Shipibo indigenous communities, increased the certified areas under its management to a total of 38,000 hectares. AIDER was one of the first organizations and indigenous groups in Peru to receive forest management certification. Its ability to maintain and increase FSC certified areas demonstrates the viability of FSC certification for other indigenous communities.



A member of the Quechua community in Totolima, Cochabamba, Bolivia
© Gustavo Ybarra/WWF-Canon

Valley in Totolima
© Gustavo Ybarra/WWF-Canon



Critical milestone for FSC certification in the Amazon

In 2011, five GFTN-Peru participants achieved FSC certification for their forest concessions covering nearly 250,000 hectares in the Amazonian rainforest regions of Madre de Dios and Iquitos, the largest lowland eco-region of Peru. The Peruvian Amazon jungle is one of the most biologically diverse areas on Earth. Per hectare, it has the largest number of bird species in the world and the third largest number of mammals.

As a result of WWF/GFTN's technical assistance that included a number of training sessions on Reduced Impact Logging, High Conservation Value Forest (HCVF) assessment and management as well as community engagement, Green Gold Forestry, CCNN Belgica, Maderera Canales Tahuamanu, Maderera Tawari, and Empresa Forestal Pumaquiro, achieved FSC certification, marking a critical milestone for credible certification in Peru.

The Amazon rainforest, Loreto region, Peru
© Brent Stirton/Getty Images

PROMOTING CREDIBLE CERTIFICATION

Halting illegal logging in the Green Heart of Africa

The Congo Basin is one of the world's most important havens of biodiversity, home to elephants, chimpanzees, bonobos and mountain gorillas that inhabit the world's second largest tropical rainforest expanse.

With increasing global demand for resources, there is rising fear that many of the region's untouched forests will fall prey to unregulated and illegal logging, one of the key drivers of deforestation. Between 1990 and 2000, approximately 91,000 km² of forests – an area about three times the size of Belgium – were lost in Central Africa.

WWF is working actively with local companies, international conglomerates, indigenous groups and likeminded organizations to halt destructive practices.

Forging strategic partnerships

Mbang is a subdivision located in the East Province of Cameroon. The local population is composed of the Bantu and the indigenous group Baka. As globalization takes shape in this remote region, it will be important to ensure that indigenous groups such as the Bakas have relevant and coherent tools to guide their development.

SFID, a GFTN member since 2009 that is owned by French timber company Rougier, manages 285,684 hectares of forest in this area where major activities include logging and subsistence agriculture. WWF and SFID are working with indigenous groups to help them build a local development plan. That includes development of mechanisms to guarantee access to forest and its resources for the Baka, development of income generating activities such as agriculture, collection and sale of non-timber forest products and infrastructure development such as housing, construction of schools and health centers.

The goal is to ensure that logging companies and indigenous groups work in harmony to reap economic benefits and also to preserve the forest.

SFID, which is working with GFTN to implement best management practices in its operations and to achieve FSC certification, provided financial and technical support to develop the local plan. The process was jointly facilitated by local NGO Environmental Protection, Research and Support to Sustainable Development (PERAD) and Association of Rural Trainers (AFAR).

A Baka man building his house near Kika, East province, Cameroon
© Brent Stirton/Getty Images/WWF-UK

Men sitting on sawn wood, Cameroon – © Brent Stirton/Getty Images/WWF-UK



Baka subsistence hunters and gatherers in the forest – © Martin Harvey/WWF-Canon

Building sustainable bridges

In Gabon, WWF is ramping up its work with Chinese forest management companies to help improve their forestry standards, ensure they are in compliance with the law and are committed to achieving FSC certification.

WWF organized two workshops for Chinese companies in Gabon. The first, in November 2011, helped facilitate dialogue and exchange between key actors in the forestry sector, and was followed by another one in May 2012 that focused on GFTN and FSC.

To help improve forestry practices and promote a species management plan in the biologically rich rainforests of Gabon's Minkebe Forest, WWF, in conjunction with the Ministry of Water and Forests and the International Tropical Timber Organisation (ITTO), undertook an audit of four major forestry concessions around the Minkebe National Park. Minkebe's forests are home to one of the largest populations of forest elephants in Africa as well as gorillas, chimpanzees and leopards.

Speaking for those who don't have a voice

Halting illegal and irresponsible logging is not just the responsibility of producing countries, but also those that import them. With demand for wood projected to increase, buyers and authorities in importing countries need to be made aware of the dangers of illegal logging.

In February 2012, Francois Makoloh, Manager, GFTN-Democratic Republic of Congo, visited the UK and Germany, along with two other "Forest Witnesses" from DRC to share their personal experiences of the impacts of illegal and unsustainable logging, and the benefits of responsible forest management and FSC certification.

Makoloh met with reporters and high-level officials such as British parliamentarians and policymakers to stress the importance of their involvement. The visitors also went to the London Olympics site in Stratford, where they saw sustainable timber in use, and to the world's longest pier in Essex, which was rebuilt in 2010 using FSC-certified Ekki wood from Congo Basin forests.

The Forest Witness tour was part of the "What Wood you Choose" campaign. The two-year campaign was launched by WWF in 2010 to raise awareness about the impacts of wood and paper consumption in the European Union on communities in timber-producing developing countries. WWF-UK and WWF-Germany collaborated with WWF-Indonesia and WWF-Congo Basin to raise awareness among lawmakers and consumers across Europe. WWF's Government Barometer 2012 found that most EU countries are not doing enough to stem the flow of illegal and unsustainable timber or regulating its sale, despite the upcoming introduction of legislation to halt its import. Germany, Italy and the UK are the highest importer of products made from illegal timber in Europe.



Francois Makoloh, Manager, GFTN-DRC; Louise Kavira, Technical Advisor, REPALEF; and Dieudonné Makaya, Manager, Sodefor, with Glyn Davies, WWF-UK Conservation Director – © Simon Rawles/WWF-UK



Francois Makoloh, Manager, GFTN-DRC, talks to an audience at a "Forest Witness" event in Berlin, Germany – ©WWF-Germany



Making cocoa cultivation compatible with responsible forest management

Cocoa is the number one foreign exchange earner for Ghana and Cote d'Ivoire, creating more than 2.5 million jobs in West Africa alone. However, it is also one of the leading causes of deforestation in Ghana and other West African countries.

WWF's West Africa Forest Programme Office, Solidaridad West Africa and the Ghanaian timber manufacturer John Bitar & Company Limited (JCM) are working on a joint project to prevent the destruction of Ghana's forests and increase the production of sustainable cocoa cultivation that, as a result, will boost incomes. The project, which started with 15 communities, is now being implemented in 25 communities around the Suhuma forest reserve in the western region of Ghana.

The three parties implementing the project are coordinating various projects to certify cocoa plantations, which would make the farms more productive and increase farmers' incomes. JCM, a GFTN participant since 2006, is supporting the communities of the Suhuma Forest Reserve achieve certification for their cocoa plantations. More than 500 farmers have been certified by UTZ, with the target of certifying a total of 1,500 farmers.

The project has multiple benefits for all stakeholders involved. First, through credible certification and better agricultural practices, local farmers will be able to increase their income. Second, the project complements the government's efforts to encourage farmers to plant or maintain trees on the farms. Third, increasing education among farmers will not only result in a higher cocoa yield, but it will also prevent forest encroachment in the long term.

BUILDING MARKET LINKS

Local markets to global trade

International markets are becoming more closely connected as communication barriers dissipate, trade agreements are forged, and local trade takes on a global nature. Yet in more remote regions such as the Amazon, forest managers and forest products producers – especially local communities – are facing a difficult time tapping into the international market. Many small-to-medium size enterprises lack adequate financial or technical resources, which limits their capacity to engage in the global marketplace and find a market for certified products.

WWF strives to build bridges between these companies and international buyers, helping connect responsible buyers and producers of wood products and in turn, increase trade of sustainable products.

As an example, GFTN-North America and Latin America organized the third annual buyers' mission in June 2012. The yearly event is designed to help local forest operators connect with international buyers who are committed to sourcing FSC-certified products.

Representatives from five different companies from Spain, Germany and U.S. participated in an 11-day trip to Peru and Bolivia to meet local GFTN participants and see their operations firsthand. In addition to meeting with companies located in WWF's priority places, the attendees visited more than 14 factories and FSC-certified forest operations of GFTN participants in both countries.

The buyers' mission resulted in initial purchases of over US\$3 million, including from companies that source from community-based forest enterprises, a key producer group in Latin America.

WWF's past buyers' missions have played an important role in establishing market links, an essential step to promoting responsible forest management and trade worldwide. At least two North American suppliers who participated in previous GFTN buyers' missions are now doing business worth nearly US\$500,000 with four GFTN-Peru participants as a result of their participation.

Workers at Nature, a laminate flooring factory and GFTN participant in Shanghai, China – © Brent Stirton/Getty Images/WWF-UK



Artwork of toilet paper made from birch wood – © WWF/Kurt Prinz

Setting and achieving responsible sourcing targets

WWF forged key partnerships in North America in 2012 to promote responsible forest management and trade.

WWF and the National Wood Flooring Association (NWFA), an organization that provides technical support and training for wood flooring professionals, signed a Memorandum of Understanding (MOU) to enhance the efforts of both organizations to drive responsible forestry on the ground in WWF's priority places such as the Amazon, Congo Basin and Borneo, as many high-value flooring products are sourced from those regions. Under the agreement, GFTN's technical experts will offer NWFA member companies valuable information on high-risk species and regions and guidance on ways to mitigate risks in their supply chains. The collaboration marks the first time that GFTN-North America is formally engaging with a leading US trade association. The partnership also aims to highlight the business value of responsible sourcing, encourage market links between companies committed to responsible forestry and raise awareness of WWF's priority places among U.S. flooring companies.

GFTN's work in North America with its participating companies Hewlett-Packard, Williams-Sonoma, Kimberly-Clark, Domtar, Procter & Gamble, Office Depot, Tetra Pak, Capital One and Avon helps drive demand for FSC-certified products as these companies convey their FSC preference to suppliers. In 2012, WWF provided technical assistance and training on responsible wood and paper sourcing and helped companies to manage risk, increase FSC and recycled content in their supply chains and enhance transparency. WWF also continued to advocate for the U.S. Lacey Act and counter several legislative proposals that would weaken that law.

GFTN participants in North America trade over 62 million m³ of forest products every year, with combined annual sales of \$15.5 billion, and their commitment to credible certification is positively influencing others in their sectors.

All GFTN-North America participants made progress against their 2011 targets, with some of them exceeding it, a welcome development in one of the world's largest markets with the potential to influence FSC uptake globally.

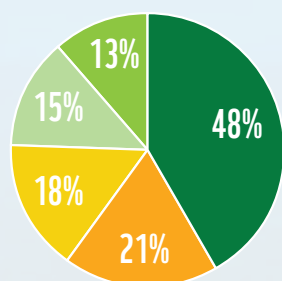
As the largest global consumer of wood and paper products, the U.S. remains key to driving responsible forestry and trade worldwide. GFTN in North America will continue to not only maintain its working relationships with leading companies, but will engage with a broader set of North American forest products companies in new and innovative ways to drive responsible forestry in WWF priority places and make sustainability the norm in the years to come.



FSC logo spray-painted onto stacks of processed timber – © Edward Parker/WWF-Canon

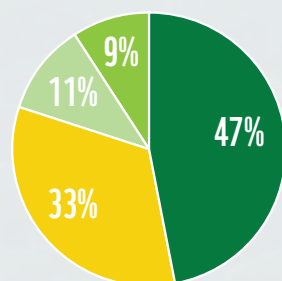
FINANCIAL OVERVIEW

FY12 REVENUES



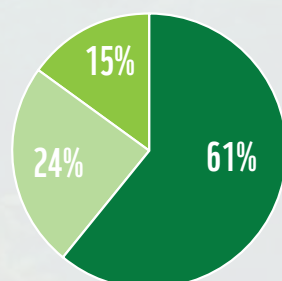
WWF Program Funding:	48%
GFTN Participation Fees:	21%
Government Aid Agencies Funding:	18%
Unfunded:	15%
Corporate Donations:	13%

FY12 EXPENSES



Total cost: Approximately \$8.5 million	
Activities Costs:	47%
Personnel Costs:	33%
Travel Costs:	11%
Office Costs:	9%

FY12 EXPENSES PER FUNCTION



*The GFTN Support Unit oversees the management of the programme, ensuring that systems and guidance are in place to deliver programme goals, monitor and evaluate progress and report the progress and challenges to the Shareholders.

ALLIES IN RESPONSIBLE FORESTRY

GFTN wishes to acknowledge the financial assistance of the following organizations:

IKEA supports GFTN’s global-to-local, on the ground presence in order to drive legal and responsible forest management and trade practices in and around IKEA’s supply chains, and to ultimately create a level playing field for socially and environmentally responsible companies. This enables IKEA to increase transparency in its global supply chain while accelerating GFTN’s efforts in driving legal and responsible forest management and trade practices in WWF’s and IKEA’s shared priority countries.

The partnership between the **Norwegian Agency for Development Cooperation (Norad)** and WWF aims to link efforts to increase responsibly managed forests in the Green Heart of Africa — the world’s second largest tropical forest and a key supplier of tropical timber to the European Union and China, and indirectly to EU and North American markets — to our efforts to tip the global timber market.

The partnership between the **Swedish International Development Cooperation Agency (Sida)** and WWF is supporting work to create new models to directly address the challenge of how we will produce food, fibre and fuel for a world approaching 9 billion by 2050 while protecting important ecosystems and contributing to poverty alleviation in developing countries. Timber and pulp & paper are two of the focus areas of the partnership.

Citi Foundation’s support for WWF since 2005 has enabled GFTN to reshape key markets and build responsible forestry sectors in priority countries around the globe. This support enabled innovative efforts to explore a responsible value chain financing model to enable responsible forestry operators – particularly small and medium enterprises in tropical forest regions and those sourcing from such regions – to generate economic benefits.

- **The European Union and the FAO (via the EU-FAO Forest Law Enforcement, Governance and Trade Programme)**
- **Swiss State Secretariat for Economic Affairs**
- **USAID**
- **Marks and Spencer Group plc**
- **Home Retail Group Ltd**
- **Pearson plc**
- **Tetra Pak Ltd**
- **Caterpillar**
- **Procter & Gamble**
- **HP**
- **Kimberly-Clark**

GFTN GLOBAL STATS

17%

Trading by GFTN participants represents 17% of every forest product brought or sold internationally every year, with combined annual sales of US\$64 billion

250

GFTN encompasses nearly 250 global companies, employing more than 1.5 million people worldwide

20 MILLION

GFTN participants manage more than 20 million hectares of FSC certified forests, with 6 million hectares in progress towards credible certification

220 MILLION

GFTN participants trade more than 220 million m³ of timber and fibre, totalling 14% of global timber trade

13%

GFTN participants are responsible for about 13% of the global total of FSC certified forest area



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Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

gftn.panda.org

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