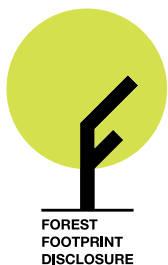


Forest Footprint Disclosure
Annual Review 2011

Forest Footprint Disclosure (FFD) is a special project of the Global Canopy Foundation, initiated in 2008. FFD engages with private sector companies to ask them to disclose their current understanding of their 'forest footprint' based on exposure to five key commodities - soy, palm oil, timber, cattle products and biofuels - in their operations and/or their supply chains. All of these commodities have the potential to be sourced from recently deforested land. FFD goes beyond simple disclosure and acts as a catalyst for investors to really engage with the companies in their portfolios on this issue. In 2011, the Forest Footprint Disclosure Request was sent out to 357 international companies and this third Annual Review describes the findings of the Disclosure Request based on responses from 87 participating companies and provides some context on the current issues and concerns for forest risk commodities.



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Foreword

Thomas E. Lovejoy

As 2011 drew to a close, the nations of the world were gathered in Durban, negotiating under the United Nations Framework Convention on Climate Change. They were discussing a limit of 2.0 degrees Celsius increase for the planet. If the Earth is to stop at 2.0 degrees, global emissions must peak in 2016. Otherwise the International Energy Agency (IEA) projects 6.0 degrees by 2050. Except for REDD, the discussions seemed oblivious to the biology of the Living Planet.

Any rational examination of the facts indicates two degrees is too much for ecosystems. At 0.8 degrees we are seeing increasingly widespread and ever more frequent tropical coral reef bleaching events. The coniferous forests of North America are showing massive mortality because climate change has tipped the balance in favor of native bark beetles. Modelling of the combined impacts of fire, deforestation and climate change indicates there could be a tipping point to Amazon forest dieback in the south and southeast of the basin at 20% deforestation. Currently it is at 18%.

We are clearly at the point — indeed overdue — where we must manage the planet as the biophysical system that it is. Forests — estimated in 2007 to have 861 billion metric tons of carbon — are central to planetary management. They are important not only as a way to limit emissions from deforestation and fire, but also as a way to proactively remove carbon dioxide from the atmosphere through reforestation. When done through reforestation of natural forest ecosystems, there is an enormous biodiversity benefit as well.

The Forest Footprint Disclosure project is fundamental to achieving rational planetary management. The private sector looms larger than all government combined. Unless it is engaged, the game is lost. While there is a long way to go, it is encouraging to see in this Annual Review the growing engagement of the private sector. It is, in fact, good business



Thomas E. Lovejoy

Chair of the Scientific and Technical Advisory Panel of the Global Environment Facility; Biodiversity Chair, The Heinz Center for Science Economics and the Environment; and University Professor of Environmental Science and Policy at George Mason University.

to do so. While the willingness of the public to pay incrementally for sustainability seems limited, it is demonstrably growing. That is nothing compared to how the public will reward and penalize corporate players once the centrality of corporate behavior to sane management of the planet is more widely understood.

The Forest Footprint Annual Report speaks for itself. It is no hand waving exercise. Rather it is based on solid verifiable data gathering, and is the best possible impediment to short term interests prevailing over the longer term interests of humanity and a sustainable future. As we move from reducing deforestation and unsustainable practices, through a planetary moment of forest stasis, to one in which reforestation is contributing to re-greening our Emerald Planet, the Forest Footprint Disclosure Project will be lighting the way.

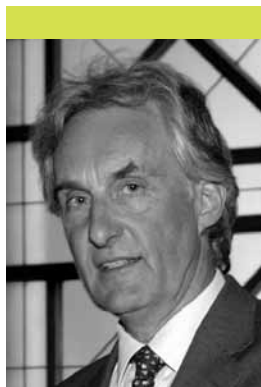
Chairman's Introduction

Andrew W. Mitchell

The ultimate purpose of the Forest Footprint Disclosure Project is to reduce global deforestation. There are compelling reasons to do this: 1.4 billion of the world's poor in developing countries depend on tropical forests for their survival, more than half of the world's biodiversity exists there and the subsequent loss of ecosystem services due to continued deforestation has been estimated to cost US\$2-5 trillion annually. These services underpin food, energy, water, health and climate security for all of us. Land use change releases more than a billion tonnes of carbon into the atmosphere annually; much of this caused by the clearance and burning of tropical forests for soft commodities such as beef, soy, palm oil, biofuels, paper and pulp. Most importantly, forest conversion is a permanent loss of natural capital and is a mis-valuation on the global balance sheet that we can ill afford.

For the last decade, the world has been transfixed in a debate around a carbon-atmosphere axis, but this is now changing to one around water and food. So where are we with the first, and where might the second lead us? Recently, a collective myopia has infiltrated discussions around the veracity of climate science. To believe the best research is biased or a hoax is foolish and irresponsible, like ignoring 'the form' and betting continuously on the 100:1 outsider in the Grand National or the Kentucky Derby. You might be right, but history says you would do better sticking with the favourite.

At the UN Climate talks in Durban last December, a very significant step forward was made. Under "The Durban Platform" there was agreement for the first time by all countries to work towards a legally binding instrument to cap emissions, becoming effective in 2020. The Kyoto Protocol, which only covers those from some industrialised nations, around 35% of the World's total, will limp along until 2015, despite Canada's



Andrew W. Mitchell
Chairman

self-interested withdrawal. Results for forests were encouraging, with technical advice from the SBSTA on reference levels and safeguards finalised and adopted, though the latter was weaker than some would have liked. Financing mechanisms for REDD+ remained opaque but suggested an à la carte approach, with markets included as an option. A broad framework for a \$100 billion 'Green Fund' to pay for mitigation and adaptation was also agreed.

Two inescapable conclusions are, however, apparent. Global emissions targets are currently 40% lower than what is needed to keep below a 2°C global average temperature rise, the so called 'ambition gap'. A tacit acceptance must therefore follow that we may be heading for a 3-4°C world with potentially devastating consequences to which we will have to adapt. Secondly, the multilateral process is unlikely to deliver the required action to prevent this from happening and alternative paths will need to operate in parallel but on a faster track.

'The ultimate purpose of the Forest Footprint Disclosure Project is to reduce global deforestation. There are compelling reasons to do this.'

A new approach revolves around 'natural capital' and how this contributes to global wealth creation and especially the resilience of future agriculture to feed a world of 9 billion. The invisibility of the economics of nature does not mean that it is not propping up our economy. The choice between ecology and economics is false. The emergence of the World Bank's Wealth Assessment and Valuation of Ecosystem Services process for Governments, the

Natural Capital Leadership Compact by the corporate sector and the Natural Capital Declaration by the finance sector all indicate a growing acceptance of this fact. The International Integrated Reporting Council, initiated by HRH the Prince of Wales, will create a framework for taking account of natural capital in the business cycle within a transformed 21st century economy. Puma has demonstrated how an 'Environmental P&L' can be done. Such a transformation will make our economy more – not less – stable, and most importantly helps us recognise the true cost of food and other products which consumers demand.

'For the last decade, the world has been transfixed in a debate around a carbon-atmosphere axis, but this is now changing to one around water and food.'

The Forest Footprint Disclosure Project helps companies get ready for this change and investors to identify the first movers. Understanding and then managing down what drives deforestation in global supply chains is one of the most effective ways the private sector can act now to halt the loss, and then work towards restoring and maintaining the world's natural capital.

The Forest Footprint Disclosure Project (FFD) annual disclosure request is sent to selected companies, looking at non-financial performance around commodities, reliance on ecosystem services and (largely mispriced) natural capital. There is a growing movement towards the integration of financial and non-financial reporting, with the International Integrated Reporting Council working on a framework and pilot programme for 2012.

Deforestation and land conversion account for around 17% of global carbon emissions – equal to the entire transport sector. Tackling that problem will help to mitigate climate change as well as improve social and economic conditions for 1.4 billion of the world's poor, who rely on forests for their livelihoods. But what is the business case for managing these issues and disclosing? After all, sourcing data and filling in a questionnaire takes time, so what does a company get in return?

FFD is a useful tool for companies to review their internal risk management. Current disclosers have found the process of data gathering and policy analysis to be worthwhile, offering a clear benchmark on performance. Clearly, the time required for a consumer-facing global business, with hundreds of suppliers, to complete the questionnaire is greater than that for a small primary producer, but so are the benefits. The recent campaign by Greenpeace aimed at Mattel, for use of Barbie packaging with unsustainable Indonesian fibre, shows that it is vital to understand where commodities in your value chain are sourced. Damage to brand and corporate reputation are the obvious pitfalls for any company which fails to understand the issues. This creates opportunities for differentiation for those companies who are ahead of the pack, and even hero status for those leading with real vision.

But this is not just about perception: there are material operational issues around these



James Hulse
Director, Forest
Footprint Disclosure

commodities and their value chains. Given the growing concern around security of supply for commodities in the coming decades of resource scarcity, the disclosure process offers companies space to work with their suppliers and customers to identify potential problems in a timely manner, and help to improve the resilience of their supply chain. Building closer ties through the value chain may improve the quality and price of products and help secure supply and reduce price volatility during crises.

Legislation is also an increasing driver of corporate behaviour. In timber, the Lacey Act in the US and FLEGT in Europe aim to remove illegal timber from the value chain and make it an offence to import such products, with the onus on the purchaser to show traceability and proper risk management. The recent decision of the Dutch food industry to move to sustainable palm oil from 2015 may herald the broadening of scope of legislation covering other forest risk commodities.

'The Forest Footprint Disclosure Project enables investors to benchmark companies for investment decisions and assess management quality.'

Bennett Freeman, Senior Vice President, Sustainability Research and Policy, Calvert Investments

'Forest protection is simply one of the best and most cost-effective answers to questions troubling investors, companies, and society at large as we adapt to a resource-constrained world. How can we reduce the risks of climate change to our companies and communities? How can we ensure adequate, clean water in our supply chains and in our homes? How can we protect biodiversity

to provide future sources of new medicines and other goods? Measuring our forest footprint is a key step to safeguarding these ecosystem services.

In this period of political, market, and climate volatility, investors seek assurance from companies that their operations and supply chains are safe from reputational risk, emerging regulations, and supply shocks. As we benefit from greater disclosure in the areas of carbon and water footprints, investors need data on forest footprints as well to complement our understanding of a company's reliance and impact on natural capital. In this context, the Forest Footprint Disclosure Project enables investors to benchmark companies for investment decisions and assess management quality.

Forests are not static islands of biodiversity, of course, but provide the homes and livelihoods of many Indigenous and local peoples. We will encourage companies to use the Footprint tool in a way that will complement the rights of these communities.'

'In this period of political, market, and climate volatility, investors seek assurance from companies that their operations and supply chains are safe from reputational risk, emerging regulations, and supply shocks.'

Meryam Omi,
ESG Engagement Manager, Legal and General Investment Management

'At LGIM, we believe that companies which monitor their impact on the environment and mitigate potential negative risks have an advantage over the long term as they gain firmer control of their own and their supply chains' operations. As we aim to reduce greenhouse gas emissions globally, protection and conservation of forests becomes a foremost priority and, as such, companies will be increasingly expected to play their role.

Forest Footprint Disclosure (FFD) provides a vital framework for key industries to disclose exposure to commodities that threaten global forests, allowing investors like us to gain valuable insight into management's commitment, robustness of their process and control over their supply chain networks. We will continue to work with FFD and investee companies to further develop the framework to provide a standard that

can appropriately capture companies' complex global operations.

We believe, through this framework, we are able to benchmark companies and identify best practices, while companies themselves can learn from each other, and contribute towards building a more sustainable business model that would enhance our shareholder values.'

'Forests continue to be lost, primarily in the biodiversity-rich tropical zone, at rates that have remained largely static for the last 20 years.'

The Walt Disney Company,
2011 discloser to FFD

'Disney is pleased to be involved with the Forest Footprint Disclosure and supports their effort to raise awareness of deforestation. We hope that our participation in the FFD will inspire others to take positive action for forests and the environment, as we continue working to reduce our impact on the world's forests so that we may protect the planet for future generations.'

Nestlé, 2011 discloser to FFD

'Nestlé has a firm commitment to ensure its products have not led to deforestation and we fully support the activities of the Forest Footprint Disclosure Project in raising awareness of this important issue.

Forests continue to be lost, primarily in the biodiversity-rich tropical zone, at rates that have remained largely static for the last 20 years. Degradation, a loss of forest quality without the loss of total forest cover, is also a major problem though much less documented.

Our most significant influence on forests is through agricultural commodities and we are committed to ensuring that we and our suppliers are responsible stewards of the forests we source from. Our priorities in this respect are paper and board, timber, palm oil and soya.

In furtherance of these commitments we have developed Responsible Sourcing Guidelines for the different commodities as well as other measures to ensure responsible purchasing practices.

Nestlé firmly believes that through such actions we will improve the sustainability of our raw materials and create shared value across the supply chain from local communities all the way through to consumers.'

Voluntary disclosure exists to fill a gap between what regulators ask companies to provide and the information that wider society thinks is relevant. FFD operates in this arena because we cannot find what we think is important anywhere else: not in voluntary reports nor in investor communication materials. We ask for transparency to demonstrate how companies and the financial community avoid driving unsustainable changes to landscapes globally through their demand for raw materials.

The free subsidy to businesses from using up more natural capital than can be replenished naturally may have been overlooked in the past, when there were fewer people on the planet, but it does not work in our new resource constrained world. So the smart money wants to find out who is managing this risk, and how.

Disclosure to FFD allows companies to demonstrate how they will continue to generate economic value well into the future, when the economics of supply for these commodities are likely to change. This insight in turn allows investors to have confidence that companies in their portfolios are smart enough to secure their raw materials with long-term security of supply and environmental and social sustainability in mind.

All well and good as an aspiration but anyone who has been involved with asking other people for information knows that, despite our information rich age and large IT systems, it continues to be a troublesome task in real life. We all feel we have too much to do, too many demands, too many stakeholders and even the most diligent would sometimes like to have more simplicity in their lives. So FFD is frequently asked, surely other mechanisms can replace the need for a new disclosure process on this one issue? Well no. FFD goes beyond headline commitments to understand both



Liz Crosbie
Technical Adviser to
FFD and Founder
of Strategic
Environmental
Consulting

the processes behind, and impacts of, a company's position. This information is often too sensitive to put in the public domain, hence the need for a disclosure process limited to expert stakeholders.

When we have received a company's disclosure we then independently assess the information so performance can objectively be compared against peers by both the company itself and potential investors. For investors to understand their companies they too need better understanding of what is actually possible for companies to achieve and the quality of their company's response.

So where do we sit amongst the growing number of other Disclosure Projects? The highest profile of these is obviously the Carbon Disclosure Project, which has grown dramatically in the last decade. We honour CDP for bringing carbon into the mainstream of company reporting, getting companies to address climate change from the energy consumption and embedded carbon perspectives. CDP has grown to over 3000 companies globally, an impressive achievement but one that is underpinned by a simple truth – carbon is a single unit to measure and is supported by globally agreed

'Voluntary disclosure exists to fill a gap between what regulators ask companies to provide and the information that wider society thinks is relevant.'

metrics for converting energy consumption into carbon footprint. There is no equivalent for forest risk commodities.

Moving from managing one indicator to managing many is a difficult transition for any organisation. The Water Disclosure Project, a sister endeavour to CDP, is now

addressing another global challenge of water consumption and identifying those companies that fail to understand water risk in our increasingly water constrained world. Unlike carbon, which is becoming a global currency, water is highly local and the risk is unique to the set of circumstances of the business, its locality and neighbours. The Water Disclosure Project is working to raise awareness of the issues, share knowledge and methodologies and allow others to readily understand a company's approach. Like FFD, it is necessary to build global awareness of the issue, as well as the metrics, to mainstream management within the private sector.

So what of company CSR reporting and the role of systems to standardise their content?

'Disclosure to FFD allows companies to demonstrate how they will continue to generate economic value well into the future, when the economics of supply for these commodities are likely to change.'

Many parties argue about what information is material for a business to disclose. The Global Reporting Initiative (GRI) is a multi-stakeholder response to the very pressing need to establish common standards. GRI produces a template for comprehensive sustainability reporting and seeks to gain consensus on what is to be included. Like the projects above, it wants to mainstream disclosure on environmental, social and especially governance performance. But GRI works through consensus, which always takes a long time, so the incorporation of new issues such as deforestation is slow. The guidelines are, however, updated regularly; version G3 is in use at present and version G4 is anticipated shortly. This overall framework is supported by Sector Supplements and National Indexes.

At present, there is no mainstream guidance on how companies should address raw material sustainability but it is covered by some sector guidance, such as the Food Processing Sector Sourcing Supplement. For that sector there is a requirement to show the 'percentage of purchased volume which is verified as being in accordance with credible, internationally recognised responsible production standards, broken down by standard'. This is a good place to start, and GRI acknowledges that raw materials and use of ecosystem services will need to be included longer-term. But even if the current standard were universally applied it may not be enough. Asking for standards in a

sourcing policy is not the same as ensuring the standards are the right ones, checking whether the parties in your value chain can achieve them and communicating your values to your stakeholders. Which is why FFD came about – to get specific answers to what we believe are the core questions.

'We believe that having a strategic response to commodity challenges offers benefits to balance the costs of policy management.'

We believe that having a strategic response to commodity challenges offers benefits to balance the costs of policy management. The companies that are doing the right thing should be recognised as making a strategic investment as an intelligent response to the global circumstances, not simply taking on extra costs. FFD supports the disclosure process not simply to ask for information for investors but to assist companies to build their own internal and external business case and communicate it to their stakeholders.

British Airways

FFD asked two of its disclosers in 2011, British Airways and METRO GROUP, to comment on why they are involved in the Forest Footprint Disclosure project and why participation is material to their business.

British Airways

British Airways has proudly participated in the Forest Footprint Disclosure Project since its launch in 2008 and last year attained Travel and Leisure Sector leader.

This recognition was a fantastic reward but the true benefit has undoubtedly been what we've learnt along the way.

Initially there seemed little linking an airline with deforestation. FFD, however, has helped us realise otherwise.

With aviation producing some 2-3% of global carbon emissions this is our greatest environmental challenge. Whilst we are already working to reduce these emissions – through operating more efficiently, flying cleaner aircraft, developing sustainable biofuels and supporting emissions trading - we accept more needs to be done.

Since deforestation produces 10 times as much carbon as aviation and avoiding deforestation is widely regarded as the most cost effective way to reduce global emissions, we recognise deforestation's importance in wider global carbon management.

Before we can have a voice on this topic we need to reduce our own forest footprint.

Participation in FFD soon highlighted how we use a wide range of forest risk commodities – paper in our printers, beef, soy and palm in our catering and leather for shoes, belts and bags.

At BA we use relatively small quantities fragmented across our global operation. What's more there is limited transparency across our supply chain.

Over the past 3 years our focus has been the UK. We accept this does not address our overseas operation but by starting to tackle the



Patrick Spink
Environment
Executive, British
Airways

greatest point of consumption – and potential risk – in the UK, we are making the greatest changes in the shortest amount of time.

We have become much better at identifying commodity use, begun adopting policies to reduce the use of forest risk commodities and this year introduced Key Performance Indicators (KPI's) to our key caterers to incentivise them to help reduce our forest footprint.

This is a long journey and one we won't complete overnight. Instead it will be through opportunities such as FFD, where companies with a common goal of reducing deforestation can come together to not only deliver very real environmental benefits but also do this in the commercial environment in which we all operate.

'British Airways has proudly participated in the Forest Footprint Disclosure Project since its launch in 2008 and last year attained Travel and Leisure Sector leader [...] the true benefit has undoubtedly been what we've learnt along the way.'

We are excited to have taken part in the Forest Footprint Disclosure for the third time. Deforestation and its increasing impact on climate change is a big concern and we hope that by sharing our experience we can help to inspire businesses and investors to take action.

METRO GROUP

We at METRO GROUP are committed to environmental and climate protection, and setting social standards along the entire value chain. For us as a major international retailer, paper and cardboard are widely used materials in our operations. The Forest Footprint Disclosure helps us to raise the awareness regarding the impact our behaviour has on the forest ecosystem.

We consequently foster the use of environmentally friendly paper within our sales divisions. For example, our share of environmentally friendly paper used for advertising has risen to more than 80 percent. Throughout METRO GROUP we are also increasingly using environmentally friendly paper in our offices which is meeting the strict FSC criteria.

Moreover, our internal service company MGA METRO GROUP Advertising, which handles the procurement of paper required for advertising materials, is FSC-certified. Due to the FSC certificate, MGA is entitled to purchase and use the paper grades FSC Mix, FSC Pure and FSC Recycled for advertising materials, as well as displaying the FSC label on catalogues and informational material.

We are also working with organisations around the globe that are helping us to achieve our targets, including WWF and RSPO. In addition, we signed the resolution on deforestation of the Consumer Goods Forum.

Business growth and sustainable business management are clearly inseparable. This is why sustainability is one of our five strategic value drivers. By continuing to intensify our commitment to sustainability, we are also setting the course for our future economic success. We hope that the Forest Footprint Disclosure will accompany us on this journey also in the future.



**Hans-Jürgen
Matern**

Head of Sustainability
and Regulatory Affairs
of METRO GROUP

Results of the Disclosure Request 2011

Introduction

This year, 87 companies answered FFD's call and completed the Disclosure Request. FFD would like to thank these forward-thinking companies and commend them all for disclosing in the name of sustainability, transparency and ultimately good business sense.

We have seen an increase in participation, particularly from North American companies and have on board some of the largest global names. Nonetheless, FFD has faced challenges this year to increase the number of participants and as we reflect on the third year of the FFD project in our Annual Review, it is important to consider the barriers to greater uptake. Page 64 sets out FFD's vision going forward into our next 3 years and we hope that the articles in this report, along with the supplementary information, provide impetus for those companies considering participating in 2012 and emphasise the materiality of the project for those already involved.

The following sector pages provide an overview by industry sector of the responses received to our 2011 Disclosure Request. Leaders in each industry sector have been identified by FFD solely on the basis of the information contained in the company's responses to the questions in the Disclosure Request; FFD does not collate information from any other sources. We do this to ensure a consistent scoring process and to avoid misrepresenting companies by interpreting on their behalf. The Disclosure Request itself and the Scoring Overview is publicly available on the FFD website (www.forestdisclosure.com).

It is important to note that, at this time, FFD does not carry out verification of the responses that participants send to us. Management of supply chain risk is an emergent discipline and it will take time for a common set of protocols to evolve to allow for verification. As companies become



Katie McCoy
Project Manager, FFD

more familiar with FFD's focus area of deforestation risk management, it will be possible to introduce third party assurance.

However, companies that misrepresent their responses to FFD are putting their reputation at risk. We are reliant on our endorsing financial institutions (see page 66) to take FFD's information and incorporate it into their engagement and assessment procedures to act as a safeguard, and we ask for feedback from those meetings where appropriate. FFD is a voluntary disclosure process and each company is presenting its information to the investment community in the same way as for any other disclosure.

On the sector pages that follow we have adopted the use of some conventions to make them easier to read and these are explained in the key below.

The Disclosure Request itself and the Scoring Overview is publicly available on the FFD website, visit: www.forestdisclosure.com


Charts and Tables key

Non Disclosers


- * Did not disclose, but did engage
- ** Disclosed in 2010

Scopes Covered

- 1 Physical Operations
- 2 Supply Chain Management
- 3 Impact of Customer Activities

-  Average score as % of total points available for each section of disclosure request

Commodities Covered

-  Cattle
-  Palm Oil
-  Soy
-  Timber
-  Biofuels

Results of the Disclosure Request 2011

Sector Leaders

Each of the leaders identified by FFD has achieved the highest overall score in their sector* for their response to the Disclosure Request. Many of these sector leaders have demonstrated through their disclosure that they have in place high quality supply chain policy commitments and have shown that they have a long term vision when it comes to sustainable business models.

While the remit of FFD is to avoid the erosion of natural capital via deforestation through the five 'Forest Risk Commodities' (timber, soy, cattle products, palm oil and biofuels), we acknowledge that this, in isolation, is not the only component of a sustainable business model and recognise that there are other things that should be considered, not least water, carbon and labour issues. With this in mind, while the work being done by our sector leaders to reduce pressure on forests is commendable, FFD acknowledges that investors will view the project as one component within the full range of ESG (Environmental, Social and Governance) issues.

Finally, because it is also important to recognise those participants that have shown the greatest improvement this year, these companies have been highlighted on their relevant sector page commentary.

The leaders in each industry sector for the 2011 Disclosure Request are listed opposite.

Leaders by Sector

- Basic Materials
Stora Enso Oyj
- Clothing Accessories & Footwear
Nike Inc
- Food & Drug Retailers
J. Sainsbury plc
- Food Products & Soft Drinks
Nestlé SA and Unilever
- General Retailers
Marks & Spencer plc
- Industrials, Construction & Autos
Dalhoff Larsen & Horneman (DLH A/S)
- Personal Care & Household Goods
Kimberly-Clark Corporation
- Travel & Leisure
British Airways
- Farming & Fishing
Grupo André Maggi
- Media
Reed Elsevier
- Oil & Gas
Greenergy International Ltd.
- Utilities
Drax Group

*Sector allocations have been given on the basis of FTSE industry sector classifications.

Basic Materials

Sector Leader: Stora Enso Oyj

This sector exclusively uses one forest risk commodity group; timber and paper.

It was the strongest performing sector within FFD 2011, as befits a long heritage of exposure to certified supply chains and mature third party sustainability standard setting.

The key driver for improvement is the increased supply of certified raw materials but the future challenge is how to increase the supply base globally to keep pace with major customers' new sustainability commitments, such as the Consumer Goods Forum companies' packaging material targets.

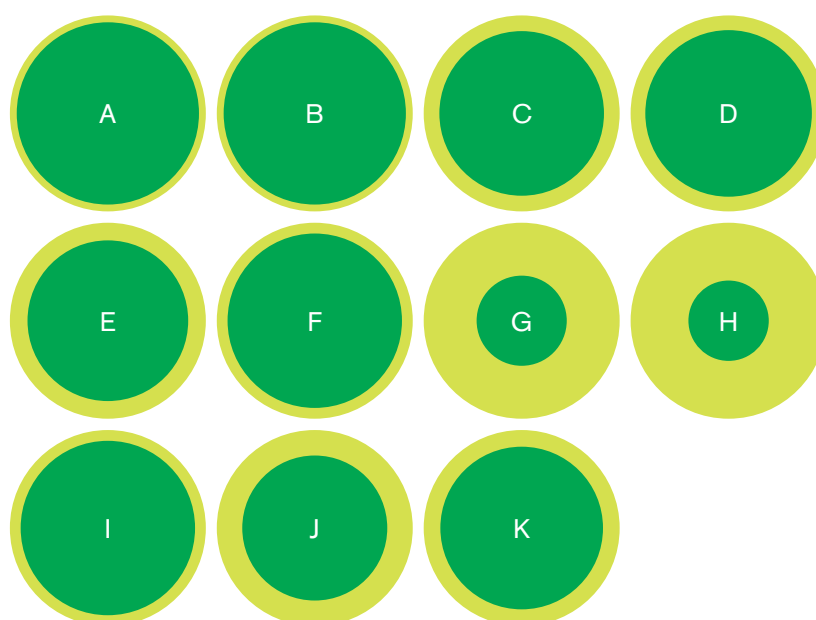
We are also beginning to see competition between the paper and biomass/bioenergy sectors for fibre as a feedstock, which will intensify as European biomass targets have to be met. There are opportunities for increasing the use of recycled fibre but this has implications for energy consumption and costs for these companies.

In the paper industry, there continues to be a shift towards production in Asia, a region where operational standards are not uniform and consumers are regarded as less concerned with sustainability. Despite this context, many corporations in the region do have sustainability policies in place and aspire to be world-class corporations in all aspects of their operations.

The EU Timber Regulations, due to be implemented in 2013, are an ongoing challenge to companies trading in Europe as enhanced disclosure becomes mandatory, requiring greater control over feedstocks, particularly those from Russia and the Far East.

To grow sufficient quantities of certified feedstock, engagement is also needed with small forest owners and communities, which is much more difficult and potentially more expensive. For land owners, SFM (Sustainable Forestry Management) can also assist in carbon sequestration and so there is potential for additional revenues from carbon and ecosystem services payments.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	96%
B Risk Assessment	97%
C Review of Your Supply Chain	84%
D Public Commitments by Forest Risk Commodity	85%
E Strategy Development	82%
F Managing for Performance Improvement	89%
G Sustainable Supply Chain Development and Support	46%
H Scope and Coverage	41%
I Public Reporting	89%
J Governance Process	74%
K Identifying Risks and Opportunities	83%

Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Arauco. CHL	✓	☉	1 2
Asia Pulp & Paper. SI	✓	☉ ☹	1 2 3
Catalyst Paper Corporation Ltd. CAN	✓	☉	1 2 3
Domtar Corporation. CAN		☉	1 2
Evergreen Packaging. USA		☉	2
Fibria. BRA	✓	☉ ☹	1 2
Holmen Skog. SWE	✓	☉ ☹	1 2
International Paper. USA	✓	☉	1 2
Mondi plc. SAF	✓	☉ ☹	1 2
PaperlinX. UK	✓	☉	2
Sappi Fine Paper NA. SAF		☉	2
Stora Enso Oyj. FIN	✓	☉	1
UPM-Kymmene Corporation. FIN	✓	☉	1 2
Weyerhaeuser Company. USA	✓	☉	1 2



Stora Enso Oyj

Wood is the most important raw material for Stora Enso, and responsible forestry is the cornerstone for our operations. The way we see it, only sustainably managed forests and plantations can bring real value to all our stakeholders, including our customers.

We use third-party-verified traceability systems to ensure that we know the origin of all the wood we use. Forest certification is an important tool for enhancing sustainable forest management. We promote credible forest certification and certify the forests and tree plantations we manage. In order to improve our performance, we continuously provide training for our employees and partners about responsible forestry.

Antti Marjokorpi,
Senior Vice President Sustainability

Companies that did not complete Disclosure Request 2011

- AbitibiBowater Inc. CAN
- Asia Pacific Res Int Ltd (APRIL). SI
- Boise Inc. USA
- Canfor Corp (CFP). CAN
- China Forestry. HK
- China Grand Forestry. HK
- China Timber Resources Group. HK
- Cikel. BRA
- Columbia Forest Products. USA
- Croda International. UK
- Fujian Yongan Forestry. PRC
- Glatfelter. USA
- Grupo Empresarial Ence. SP
- Irani. BRA. Jaya Tiasa. MAL
- Jilin Forest Industry. PRC
- Lee & Man Paper Manufacturing. HK
- Lingui Developments. MAL
- MCC Meili Paper Industry. PRC
- MeadWestvaco. USA
- M-Real. FIN
- Nine Dragons Paper. HK
- Nippon Paper Group. JA
- Oji Paper Co. JA
- Olam International Limited. SI
- Plum Creek Timber Company. USA
- Samling Global. HK
- Shandong Chenming Paper Hdgs Ltd. PRC
- Sichuan Shengda Forestry. PRC
- Sino-Forest Corporation. PRC
- Sonoco. USA
- Ta Ann Holdings. MAL
- Verso Paper Corp. USA
- WTK Holdings. MAL
- Yueyang Paper. PRC

Clothing, Accessories & Footwear

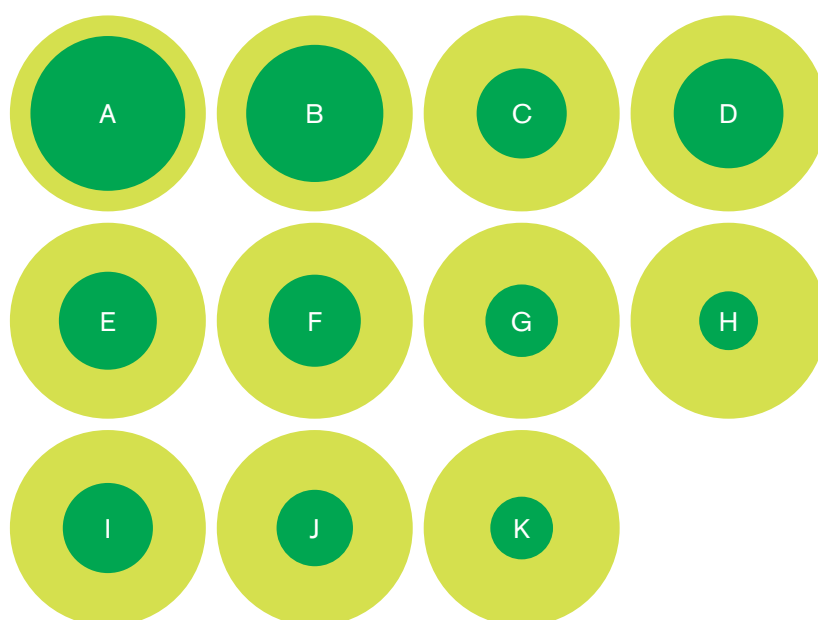
Sector Leader: Nike Inc

This sector covers a wider range of commodities, although most companies only report on two: leather in products and paper for packaging. There has been more consistency in the scope of reporting, which is an improvement on last year and in part reflects widespread consumer interest and stakeholder pressure on the origin of packaging.

Leather is the priority commodity in volume terms and it is encouraging to see how much progress has been made in traceability. The challenge is moving towards fully certified supply chains and an update on this can be found in the 2011 Timeline for Beef and Leather and related articles (see page 48). Many companies in the sector are members of the Leather Working Group (LWG), a multi-stakeholder group seeking to improve performance in the tanning industry, which is actively working on the Brazilian deforestation issue. There is a LWG Tannery Environmental Auditing Protocol, an update of which is planned to come into force from 1 December 2013, but it is clear that the going remains slow in mapping and assessing the full value chain. The commitment to avoid leather sourced from the Amazon is encouraging; however, it is not clear how that commitment is to be implemented and we will be looking for more detail in next year's disclosures.

Packaging/paper exposure is the most readily addressed issue for these brands as this is a mature commodity with a comprehensive sustainability certification offer. Lack of volume information and limited disclosure on the percentage certified was disappointing, offering opportunities for rapid improvement next year. The involvement of PrimeAsia Leather Corporation from Taiwan is particularly welcome as a largely B2B organisation. Up until now the FFD reach has been largely around global brands rather than those working in the B2B market, and this expansion is encouraging. The most improved company in this sector is Moët Hennessy Louis Vuitton S.A.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	79%
B Risk Assessment	70%
C Review of Your Supply Chain	46%
D Public Commitments by Forest Risk Commodity	56%
E Strategy Development	50%
F Managing for Performance Improvement	47%
G Sustainable Supply Chain Development and Support	37%
H Scope and Coverage	30%
I Public Reporting	46%
J Governance Process	39%
K Identifying Risks and Opportunities	32%



Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Adidas AG. GER	✓		2
Burberry Group. UK	✓		2
C & J Clark International. Ltd. UK	✓		1 2
Moet Hennessy Louis Vuitton S.A. FRA	✓		1 2 3
Nike Inc. USA	✓		2
PrimeAsia Leather Corporation. USA/TAI			2
The Timberland Company. USA	✓		1 2

Nike Inc

As we work to improve the sustainability of all NIKE, Inc. products, we have taken a rigorous approach to understanding the full impacts of the materials we use and the choices we make in design. The Forest Footprint Disclosure provides useful insights as we work to change systems – of the way vendors produce and share information on materials and of how we use that information to enable our designers to select better materials from better vendors.

Lorrie Vogel,
GM, Nike Considered

Companies that did not complete Disclosure Request 2011

- Coach. USA
- Columbia Sportswear. USA
- Geox. ITA
- Jones Apparel. USA
- Levi Strauss & Co. USA *
- Patagonia. USA
- The Gap. USA
- Tiffany & Co. USA

Food & Drug Retailers

Sector Leader: J. Sainsbury plc

The reach of this sector continues to grow and contains some of the most proactive companies globally. The participation of Tesco as a global retailer is to be welcomed, although it should be noted that its current disclosure is limited to its UK operations; we look forward to wider analysis in coming years.

A major shift in this market has taken place with the involvement of Wal-Mart Inc., who, although they elected not to disclose to FFD this year, have made significant public commitments on securing sustainable supply of key forest risk commodities. We look forward to substantiation of their progress through disclosure in 2012.

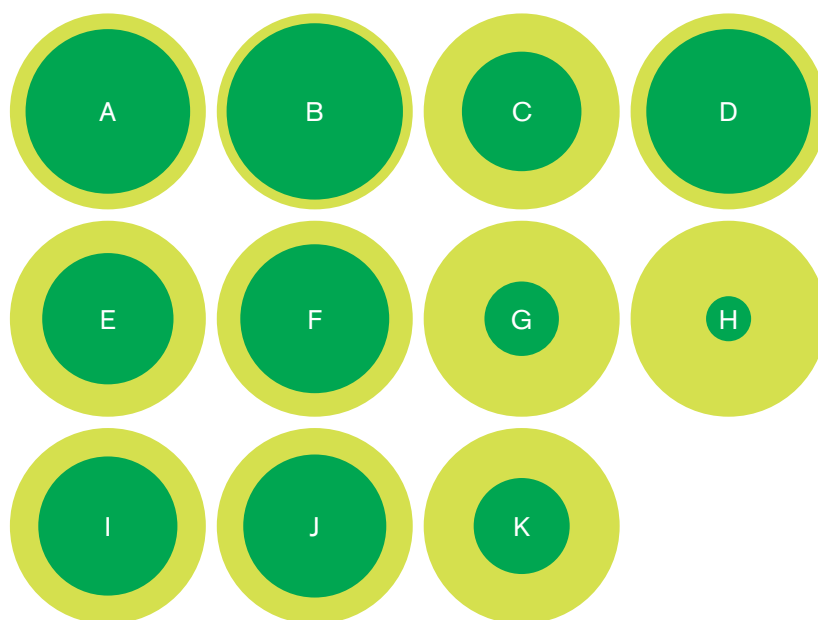
Overall there is a co-dependency between these companies and the uptake of certification globally, with many of the disclosers in the sector proactively participating in the growth of global standards or working to build capacity within their supply chains. The majority of non-disclosers do not, however. This creates a strategic risk to those companies in that the standards created reflect particular companies' market positions and may be unreachable for some. For those behind the curve, their position as late entrants may be disadvantageous when the availability of certified materials falls below global demand.

The companies in this sector report on a wide range of commodities, with timber and palm as the most advanced and soy and beef and leather requiring more development. The recent availability of certified soy will raise expectations in that area.

The current global economic climate increases the challenges of securing supply at stable prices within sustainability commitments and this needs to be managed as part of core business strategy. The leadership shown by the disclosers in such a difficult economic time is even more remarkable.

Special mention goes to Royal Ahold as the most improved company in this sector.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	84%
B Risk Assessment	90%
C Review of Your Supply Chain	61%
D Public Commitments by Forest Risk Commodity	84%
E Strategy Development	67%
F Managing for Performance Improvement	76%
G Sustainable Supply Chain Development and Support	38%
H Scope and Coverage	23%
I Public Reporting	71%
J Governance Process	73%
K Identifying Risks and Opportunities	49%

Companies that did not complete Disclosure Request 2011

- China Resources Enterprise. PRC
- CVS Caremark. USA
- Delhaize Group. BELG
- Edeka Zentrale. GER
- George Weston. CAN
- Greggs PLC. UK
- Groupe Auchan. FRA
- Kroger. USA
- Lianhua Supermarket Holdings. PRC
- President Chain. TAI
- Safeway. USA
- Sysco. USA
- United Natural Foods (UNFI). USA
- Whole Foods Market Inc. USA
- Woolworths. SAF
- Wumart Stores. PRC

J. Sainsbury plc

This year Sainsbury's has launched our 20 by 20 Sustainability Plan, an ambitious set of targets that covers commitments to sustainable sourcing of all our key raw materials and a zero deforestation target for all own brand products.

We have been voted sector leaders for the second year running and this is testament to the hard work that we have already invested in creating sustainable supply chains. We are absolutely committed to maintaining our industry-leading position and delivering our 2020 vision.

Judith Batchelar,
Director of Sainsbury's brand



Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Boots UK. UK	✓		2
Carrefour Group. FRA	✓		2
J. Sainsbury plc. UK	✓		2
MIGROS. Federation of Migros Cooperatives. CH	✓		1 2
Royal Ahold. NETH	✓		1 2
Tesco UK. UK			1 2
Wm Morrison Supermarkets plc. UK	✓		1 2

Food Products & Soft Drinks

Joint Sector Leaders: Nestlé SA and Unilever

This sector contains some of the world's leading sustainability 'heroes' and we have two major multi-national companies as joint leaders. The increasing participation of companies with a global reach is to be welcomed.

Disclosure from the major global trading companies, which are so influential in the global food chain and are found in the supply chains of so many other companies, continues to be absent. With the acknowledged challenges of global food security, increasing consumption and climate change on food production, FFD calls for disclosure from those who control such a high percentage of international trade. Addressing these challenges will need the capacity of the full value chain and all companies must play their part.

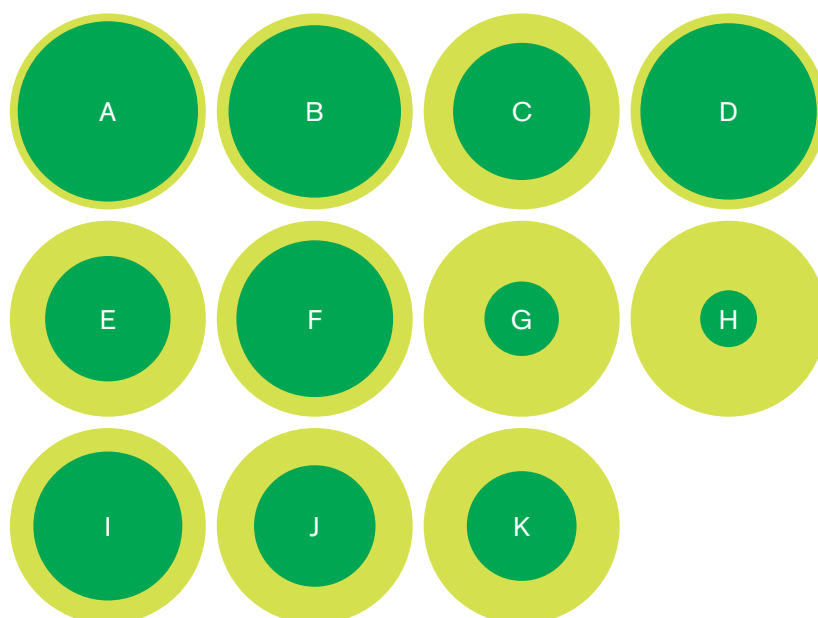
There are more examples this year of genuine attempts to build capacity, but they continue to be limited in number. If global food production is to be expanded to meet the needs of the growing population, this issue of increased capacity throughout the value chain is fundamental. The Unilever Living Plan, launched this year, with its commitment to sourcing 100% of raw materials sustainably, now raises the bar for others to follow.

Next year FFD will be looking for clarification on the extent or scope of the disclosed supply chain management and more detail needs to be included on where risk management systems are in place and how they are prioritised.

This improvement in process has to be managed in the challenging economic climate, which increases the challenges of security of supply and volatile commodity prices. This context means supply lines need to be managed as part of core business strategy.

Special mention must be made of the Marfrig Group which is the most improved company in this sector.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	92%
B Risk Assessment	88%
C Review of Your Supply Chain	70%
D Public Commitments by Forest Risk Commodity	90%
E Strategy Development	64%
F Managing for Performance Improvement	80%
G Sustainable Supply Chain Development and Support	38%
H Scope and Coverage	29%
I Public Reporting	76%
J Governance Process	62%
K Identifying Risks and Opportunities	56%

Companies that did not complete
Disclosure Request 2011

AarhusKarlshamn. SWE
Aceitera General Deheza (AGD Group). BRA
Agrotech Foods. IND
Archer Daniels Midland. USA
Aryzta. CH
Associated British Foods. UK *
Brasil Foods. BRA
Britannia Industries. IND
Bunge. USA
Cargill. USA
California Oils Corporation. USA
Campbells. USA
Cargill. USA
Charoen Pokphand Foods. THAI
China Agri-Industries. HK
China Mengniu Da. HK
China Yurun Food. PRC
ConAgra Foods. USA
Dairy Crest Group. UK
Dean Foods. USA
Del Monte Foods. USA
Fraser & Neave. MAL
Fuji Oil. JA
General Mills. USA *
Goodman Fielder. AU
Groupe Danone. FRA
Grupo Bimbo. MEX
Gruppo Cremonini. ITA
Heinz. USA
Hindustan Unilever Limited. IND
Hormel Foods. USA
Indofood Sukses. INDO
Inner Mong Yil-A. PRC
J-Oil Mills Inc. JA
Kellogg. USA
Kerry Group. IRE
Kraft Foods. USA
Kyodo Shiryō. JA
Louis Dreyfus. FRA
Mars Inc. USA
Mayora Indah. INDO
McCain Foods USA
Molinos Rio Plata. ARG
Noble Group Ltd. HK
Pilgrim's Pride. USA
Pinnacle Foods Group Inc. USA
Premier Foods. UK
San Miguel Pure Foods Company. PH
Solae. USA
Stonyfield Farms. USA
The Coca-Cola Company. USA
The J.M. Smucker Company. USA
Tingyi Holding Co. PRC
Tyson Foods. USA
Uni-President. TAI
United Biscuits. UK **

Companies that did not complete
Disclosure Request 2011

Vicentin. ARG
Want Want China. PRC
Weight Watchers International Inc. USA

Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Cranswick Plc. UK	✓		1 2
Danisco A/S. DEN	✓		1 2 3
InterNatural Foods. USA			2
JBS. BRA	✓		2
Justin's. USA			2
Marfrig Group. BRA	✓		1 2
Nestlé SA. CH	✓		1 2
PepsiCo Incorporated. USA	✓		2
Unilever. NETH	✓		2

Nestlé SA

Tackling deforestation is, for Nestlé, just one aspect of a broader commitment to the concept of natural capital. Nestlé is dependent upon biodiversity in its many forms, and in particular forests, and we are taking active measures to ensure not only that our operations do not lead to forest loss or degradation, but also that forests from which our raw materials are sourced are effectively managed.

José Lopez,
Executive Vice President Operations

Unilever

The Unilever Sustainable Living Plan commits us to halve the greenhouse impacts of our products by 2020. Since deforestation is one of the largest contributors to global greenhouse gas emissions, it is critical that we eliminate any trace of deforestation from our supply chain. Surveys such as the Forest Footprint Disclosure Project give us an objective assessment of how our management of this complex issue compares with our peers. We are proud to be the joint leader in our sector.

Gavin Neath
SVP Sustainability

General Retailers

Sector Leader: Marks and Spencer plc

This sector continues to offer leadership, which is particularly significant given the global reach and the range of commodity challenges being addressed. Many of the companies disclosing in this sector have also made major investments in operations and supply chain management over many years.

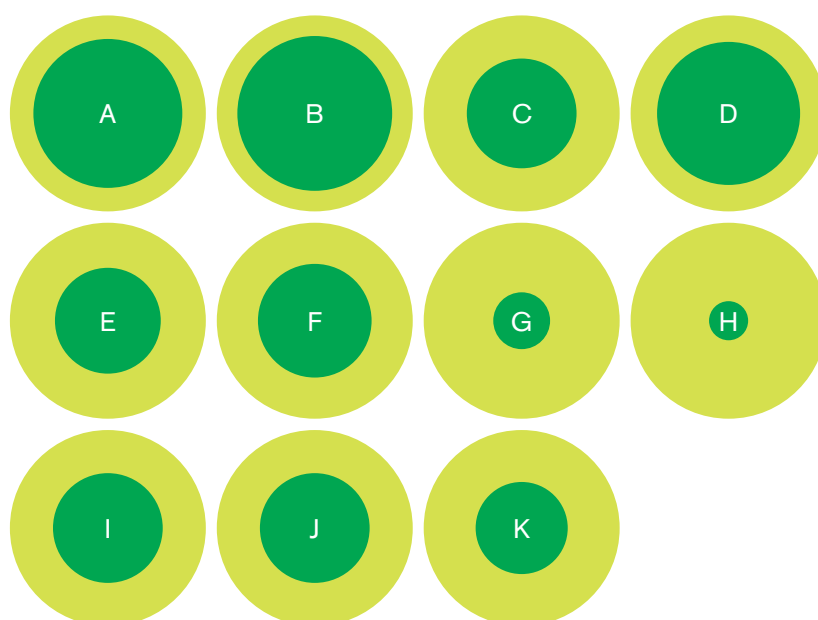
At this end of the value chain, there is dependency on best practice being implemented elsewhere to address the challenges of commodity supply chain sustainability. The role of retailers in building or supporting international processes, such as the commodity multi-stakeholder Roundtables, is in part a response to that challenge of complex and lengthy supply chains.

However, once standards of behaviour are set and certification systems built then the focus moves onto implementation and by extension to efforts to invest in capacity through initiatives and burden sharing. 2011 continues to see tensions in the Roundtable processes between producers and consumers as to who should pay for the investment required in sustainability.

Faced with ongoing NGO activity, from campaigning groups through to the benchmarking work from WWF with its 2011 palm scorecard, and legislation changes such as the EU Timber Regulations and US Lacey Act, this sector needs greater transparency and disclosure down the full supply chain. Enhanced product information from business partners and value chain partners is necessary to meet stakeholder expectations and protect brand reputations.

Office Depot is welcomed as a 2011 first time discloser, especially as a significant US brand and paper specifier.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	76%
B Risk Assessment	79%
C Review of Your Supply Chain	56%
D Public Commitments by Forest Risk Commodity	73%
E Strategy Development	54%
F Managing for Performance Improvement	58%
G Sustainable Supply Chain Development and Support	29%
H Scope and Coverage	19%
I Public Reporting	56%
J Governance Process	56%
K Identifying Risks and Opportunities	47%

Marks & Spencer plc

We are delighted to be rated as Forest Footprint Disclosure sector leader for the third year in a row. FFD has become a valuable benchmarking tool to enable investors to make decisions that recognise the importance of ecosystems to business as well as the environment. Protecting high value forests and vulnerable communities is core to how we do business and our customers expect us to lead in this area. Through collaborating with industry, governments, academics and conservation organisations we will make a positive contribution to protecting high value forests and vulnerable communities.

Fiona Wheatley,
Sustainable Development Manager



Companies that did not complete Disclosure Request 2011

- AEON. JA
- Amazon.com, Inc. USA
- Barnes & Noble. USA
- Big C Supercenter. THAI
- BJ's Wholesale Club Inc. USA
- Brown (N.) Group. UK
- Costco Wholesale. USA
- Debenhams. UK
- Hallmark. USA
- Home Depot. USA
- Home Retail Group. UK
- IKEA. SWE
- J.C. Penney. USA
- John Lewis plc. UK
- Kohls. USA
- Limited Brands. USA
- Macy's. USA
- Masco Corp. USA *
- OfficeMax. USA
- PPR. FRA
- Sears Holdings. USA
- Seven & I Holdings. JA
- Staples. USA
- Target. USA
- Wal-Mart Stores. USA
- Williams Sonoma. USA

Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Best Buy Co., Inc. USA	✓		1
Coop Genossenschaft. CH	✓		1 2
Earth Presents. USA			2 3
Kingfisher. UK	✓		2
Lowe's Companies, Inc. USA	✓		1 2
Marks & Spencer plc. UK	✓		2
Metro Group. GER	✓		1 2
Next. UK	✓		2
Office Depot. USA			2
Wesfarmers Limited AU	✓		1 2
WH Smith plc. UK	✓		2

Industrials, Construction & Autos

Sector Leaders: Dalhoff Larsen & Horneman (DLH A/S)

This sector continues to be dominated by those in the construction industry and its supply chain. It appears that the combination of regulation and some sophisticated corporate buyers, who continue to press for improved provenance information and management standards, is driving up standards overall.

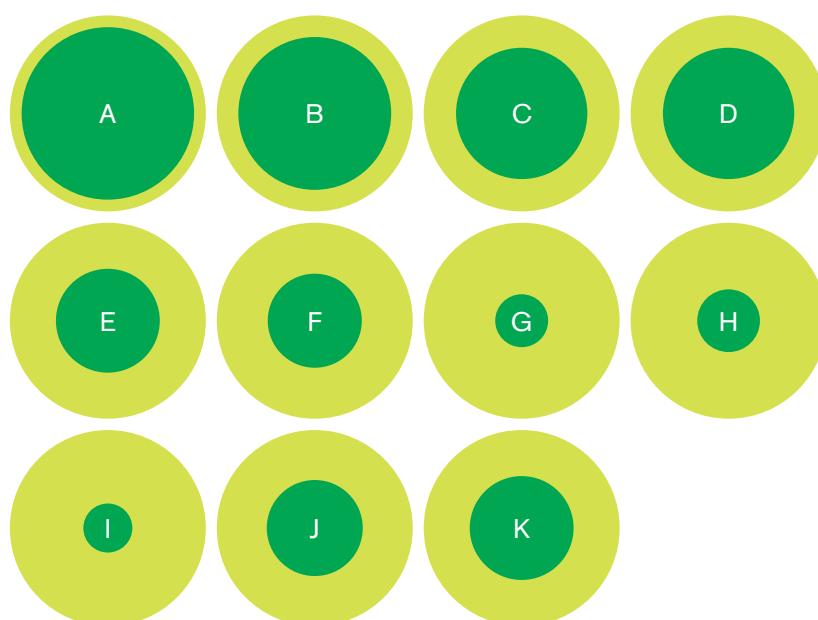
Automotive companies by contrast continue to be poorly represented and BMW's participation is to be highlighted, particularly as a leader in an area where traceability is difficult and the focus on leather certification comes from other sectors.

It should be noted that those companies with a more limited exposure to forest risk commodities, for example simply using timber, are not managing the same level of complexity as those with up to five commodities. For some commodities such as leather the ability of users to score at the highest levels is also limited by the lack of available certified material and limited traceability within supply chains. We honour those that are leading the field – whatever their score, which reflects the relative stage of certification maturity – and will continue to support them in their efforts.

Travis Perkins deserves a special mention for the wide range of commodities covered.

The participation of more companies in this sector would create critical mass for developing sustainable supply chains and we look forward to more widespread disclosure next year. The most improved company in the sector this year is Danzer Group. This company operates in some of the world's most difficult regions and has experienced NGO criticism this year from Global Witness as part of their review of the WWF GFTN. Danzer was used as a case study of GW's concerns including management by a subsidiary in the Democratic Republic of Congo of land disputes and tax evasion that have been most vigorously denied.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	88%
B Risk Assessment	78%
C Review of Your Supply Chain	67%
D Public Commitments by Forest Risk Commodity	67%
E Strategy Development	53%
F Managing for Performance Improvement	48%
G Sustainable Supply Chain Development and Support	27%
H Scope and Coverage	32%
I Public Reporting	25%
J Governance Process	49%
K Identifying Risks and Opportunities	53%



Companies that did not complete Disclosure Request 2011

- Acciona. SP
- Armstrong World Industries. USA
- Balfour Beatty. UK
- Ballast-Nedam. NETH
- Barito Pacific. INDO
- Beijing Enterprises. HK
- Bunzl. UK
- Carillion plc. UK
- Citic Pacific. HK
- CRH. IRE *
- Daimler. GER
- Eagle Ottawa. USA
- FedEx Corp. USA
- Ford Motor Company. USA
- General Motors. USA
- Honda Motor Co. JA
- Hutchison Whampoa. HK
- Jardine Matheson Holdings Limited. HK
- Keppel Corp Ltd. SI *
- Lafarge. FRA
- LG Corp. KR
- Louisiana-Pacific Corp. USA
- Peugeot SA. FRA
- Porsche. GER
- Renault. FRA
- Rougier. FRA
- Smurfit Stone (SSCC). USA
- Toyota Motor. JA
- Turner Construction Company. USA
- Vicwood. HK
- VolksWagen AG. GER
- Volvo. SWE **

Companies that completed Disclosed Disclosure Request 2011 in 2010 Commodities Covered Scopes Covered

Company	Disclosed in 2010	Commodities Covered	Scopes Covered
BMW. GER	✓	 	1 3
Dalhoff Larsen & Horneman (DLH A/S). DEN	✓		2
DanzerGroup. CH	✓		1 2
Kingspan Group plc. IRE			2
Saint Gobain Building Distribution. FRA	✓		2
Skanska AB. SWE	✓	  	1 2
Travis Perkins plc. UK	✓	    	1 2

Dalhoff Larsen & Horneman (DLH A/S)

Ten years ago we introduced our first risk-assessment tool, the Good Supplier Programme, aimed at collecting information on the origin of the timber we source. This year our efforts have been on developing an improved and even more encompassing edition to help us better manage our forest footprint.

Promoting sustainable forest management is a key element of DLH's environmental policy. Our goal is to continuously increase the amount of certified timber we source from high-risk countries.

DLH is proud to be recognized as this year's leader in our sector, and we would like to acknowledge the work of FFD in improving the understanding of business impact on forests.

Peter K. Kristensen
Vice-President, CSR & Environment

Personal Care & Household Goods

Sector Leader: Kimberly-Clark Corporation

This sector is very diverse both geographically and in the scope of the commodities it uses.

This year we welcome Johnson & Johnson and Seventh Generation to FFD amongst others, which increases our US coverage further and shows the wide range of organisations disclosing.

Unilever, although not actually a member of this sector, continues to set the standards for global brands operating in the industry, with its commitment to 100% sustainable raw materials sourcing. The deforestation commitment from the Consumer Goods Forum raises the bar for member companies in this sector to demonstrate their compliance with this pledge.

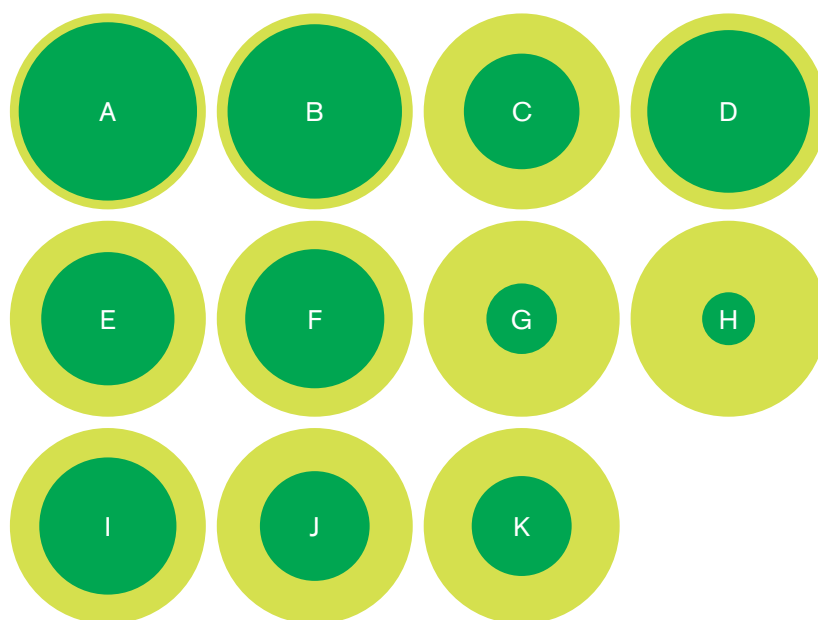
The number of commodities reported varies considerably, with the majority using timber/paper, palm and soy, all of which can be sourced with some degree of certification. Most disclosers improved their scoring overall.

With the development of new Derivatives metrics by the RSPO for use of sustainable palm oil in the Oleo-Chemical industry, barriers to the implementation of RSPO members' commitments in this sector no longer exist.

Within the sector, the brands represented here clearly view sustainability as a market opportunity, as well as a responsibility challenge.

Natura Cosméticos S.A deserves a special mention as the most improved company in this sector.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	91%
B Risk Assessment	89%
C Review of Your Supply Chain	59%
D Public Commitments by Forest Risk Commodity	83%
E Strategy Development	68%
F Managing for Performance Improvement	71%
G Sustainable Supply Chain Development and Support	36%
H Scope and Coverage	27%
I Public Reporting	70%
J Governance Process	56%
K Identifying Risks and Opportunities	51%



Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Avon Products, Inc. USA	✓		2
Earth Friendly Products Inc. USA			2
Henkel AG & Co. KGaA. GER	✓		2
Johnson & Johnson affiliated companies. USA			1 2
Kimberly-Clark Corporation. USA	✓		2
L'Oréal. FRA	✓		1 2
Natura Cosméticos S.A. BRA	✓		1 2 3
PZ Cussons plc. UK	✓		1
Reckitt Benckiser Grp plc. UK	✓		1 2 3
SCA Skog. SWE	✓		1 2
Seventh Generation. USA			2

Kimberly-Clark Corporation

We are honored to be recognized for the second year by the Forest Footprint Disclosure Project for our sustainable fiber procurement practices as further recognition of our sustainability journey. We integrate sustainability into all aspects of our business: in 2010 46.4% of the total fiber we used was an environmentally preferred mix of Forest Stewardship Council-certified primary fibers and recycled fibers. Today, 98% of the wood fiber we use worldwide is from certified suppliers. Going forward, we will continue to look for innovative ways to increase our efforts to help make our planet a better place for future generations.

Suhas Apte
Vice-President, Global Sustainability

Companies that did not complete Disclosure Request 2011

- Beiersdorf. GER *
- Clorox Co. USA
- Colgate-Palmolive Company. USA
- Colgate Palmolive India. IND
- Eastman Kodak Co. USA
- Estee Lauder. USA
- Georgia Pacific Corporation. USA
- Godrej Consumer Products. IND
- Kao Corporation. JA
- McBride. UK
- Procter & Gamble. USA
- Revlon. USA
- SC Johnson. USA

Travel & Leisure

Sector Leader: British Airways

Overall this sector has been a more stable group and experienced less change in its scoring than other sectors. The inclusion of Whitbread Group PLC, a complex group with multiple supply chain and distribution options, was a welcome addition and its level of commitment is encouraging.

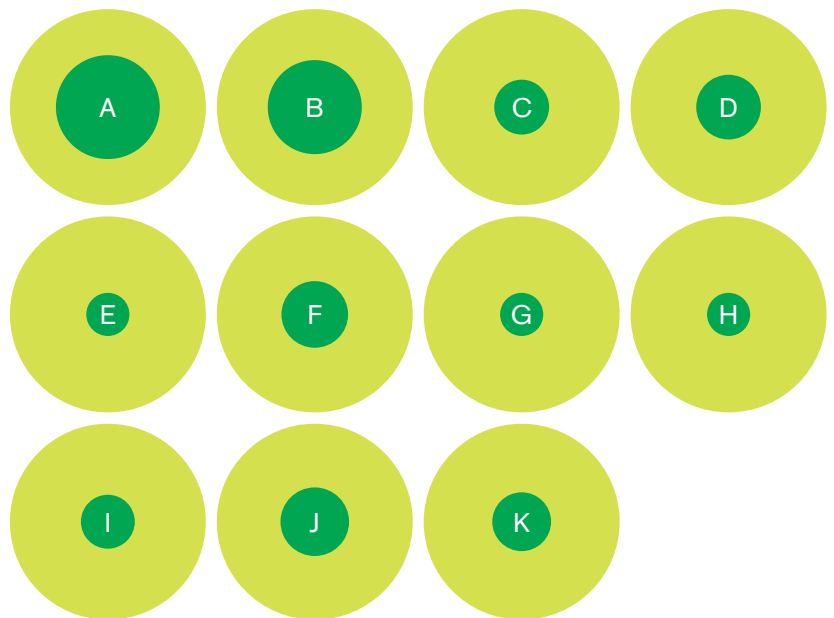
A special mention should be made for Sodexo, who are the most improved company in this sector this year. This is particularly impressive given that their commitment covers their global business.

Like the retail and food and drink sectors, these companies have experienced the combined heavy pressures of food and energy prices this year and so their continued commitment to sustainability in this commercial environment must be acknowledged with particular thanks.



































Sector leader British Airways has itself been under considerable pressure both commercially and economically and the improvement in their scoring in these circumstances is very admirable indeed.

Going forward, wider participation in the global multi-stakeholder processes would help support this end of the value chain in meeting its own goals. The growing use of biofuels by the airline industry will increase stakeholder interest in their approach to the provenance of fuel supplies and FFD looks forward to wider disclosure next year from that sector.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	53%
B Risk Assessment	48%
C Review of Your Supply Chain	28%
D Public Commitments by Forest Risk Commodity	33%
E Strategy Development	17%
F Managing for Performance Improvement	34%
G Sustainable Supply Chain Development and Support	19%
H Scope and Coverage	17%
I Public Reporting	25%
J Governance Process	35%
K Identifying Risks and Opportunities	30%

Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Air France KLM. FRA	✓	 	1 2
British Airways. UK	✓	    	2
Compass Group plc. UK	✓	    	2
Eurostar Intl Ltd. UK	✓	   	1 2
Millennium & Copthorne Hotels plc. UK	✓	   	2
Sodexo. FRA	✓	    	2
TUI Travel plc. UK	✓	    	2
Whitbread Group plc. UK		   	2

Companies that did not complete Disclosure Request 2011

- Accor Group. FRA
- Alsea of Mexico. MEX
- Brinker International (EAT). USA
- Burger King Corporation. USA *
- Carnival. USA *
- Chipotle Mexican Grill. USA
- Continental Airlines. USA
- Darden Restaurants. USA
- Delta Air Lines Inc. USA
- Domino's Pizza UK & IRL plc. UK
- Gondola group. UK
- Hilton Hotels. USA
- Hyatt Hotels. USA
- Iberian Airlines. SP
- Indian Hotels Co. IND
- InterContinental Hotels Group. UK **
- JD Wetherspoon's. UK
- Jet Blue. USA
- Kentucky Fried Chicken Japan. JA
- Kulim (Malaysia) Berhad. MAL
- Lufthansa. GER
- Marriott Hotels International Ltd. UK
- McDonald's Corporation. USA *
- NH Hoteles. SP
- Shangri-La Asia. HK
- SNCF. FRA
- Southwest Airlines. USA
- Starbucks. USA
- Starwood Hotels & Resorts. USA
- Thalys International. BELG *
- The Boeing Company. USA
- The Restaurant Group. UK
- Thomas Cook Group. UK
- US Airways. USA *
- Wendys/Arbys Group. USA
- Wyndham Worldwide. USA
- Yum Brands. USA



British Airways

From the FFD's outset British Airways saw the benefit offered to those wanting to introduce real change to reduce their impact on deforestation. Our involvement has enhanced our knowledge and understanding of where and how we use forest risk commodities. This knowledge has been crucial in driving change across BA. As we move into 2012 there is still much to do and our key focus will be driving what we have learnt into our supply chain. To achieve sector leader and for this work to be recognised in both 2010 and now 2011 is truly rewarding and something we hope encourages other companies to participate in the FFD.

Patrick Spink,
Environment Executive

Farming & Fishing

Sector Leader: Grupo André Maggi

Congratulations to Grupo Maggi, the project's first Latin American sector leader. Overall the sector is under-represented: despite the long-standing Roundtables on Sustainable Palm Oil (RSPO) and Soy (RTRS), few member companies have publicly disclosed their progress. This year's respondents are clearly leaders in their fields and we acknowledge their genuine attempts to engage more openly.

Privately owned companies often play key roles within the value chain, and many are not transparent in their approach. This means the financial community needs to find ways to reach out to these players as they are key 'enablers' for other sectors to convert to sustainable supply.

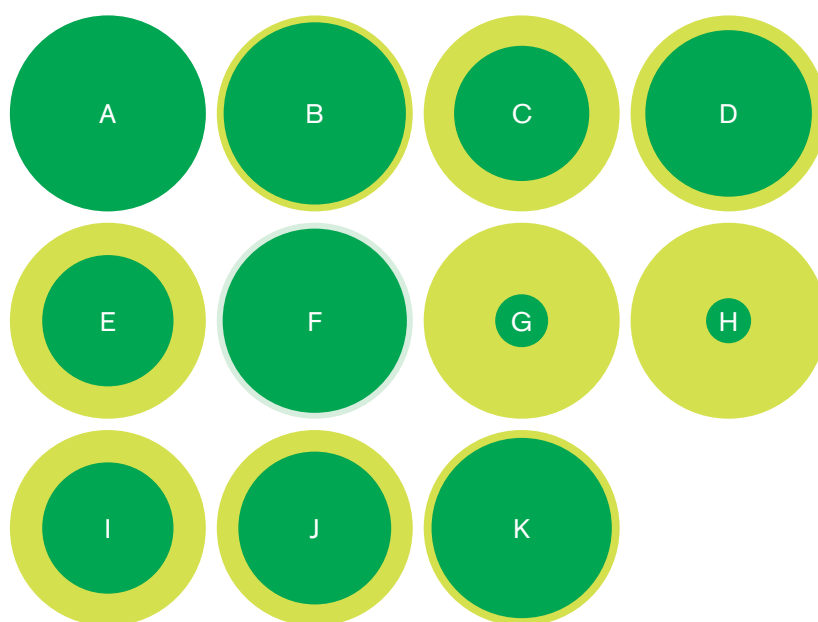
Even previous FFD leaders are not without their challenges. IOI has this year experienced problems over its community relations and land clearance by joint venture partners. These issues have resulted in the company's new RSPO certificates being suspended until matters are resolved to the RSPO's satisfaction. IOI is, we understand, making strenuous efforts to address the issues raised.

Sime Darby has also come in for some criticism for its involvement in land use conversion in Indonesia through a subsidiary PT MAS. Oxfam has raised concerns about that company's actions in West Kalimantan and is concerned about ongoing expansion plans.

With growing global attention on land use choices and the call to increase productive area and yield to ensure food security, this sector needs a clear strategy and effective communication. The world needs to know how it will respond to these challenges in the context of climate change and other key risks in a resource and land constrained world.

Operating in the agricultural arena continues to be challenging and we salute those willing to open their processes to scrutiny.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	100%
B Risk Assessment	93%
C Review of Your Supply Chain	69%
D Public Commitments by Forest Risk Commodity	85%
E Strategy Development	67%
F Managing for Performance Improvement	94%
G Sustainable Supply Chain Development and Support	27%
H Scope and Coverage	23%
I Public Reporting	67%
J Governance Process	78%
K Identifying Risks and Opportunities	92%

Companies that did not complete
Disclosure Request 2011

Agriterra Ltd. UK
 Anglo-Eastern Plantations PLC. UK
 Arantes Alimentos Ltda. BRA
 ArreBeef. ARG
 Asian Plantations Ltd. SI
 Astra Agro Lestari. INDO
 Bakrie Sumatera Plantations Tbk. INDO
 Camellia PLC. UK
 Caramuru. BRA
 Chaoda Modern. HK
 Coamo. BRA
 Frigorífico Mercosul. BRA
 Genting Plantations. MAL
 Golden Agri-Resources. SI *
 Hap Seng Plantations. MAL
 Imcopa. BRA
 Independência. BRA **
 Indofood Agri Resources. SI
 KL Kepong. MAL
 KS Oils Ltd. IND
 London Sumatra. INDO
 M.P. Evans Group PLC. UK
 Margen. BRA
 Minerva. BRA
 New Britain Palm Oil. PNG **
 Nutreco NV. NETH
 Perkebunan Nusantara. INDO
 PT Musim Mas. INDO
 R.E.A. Holdings plc. UK
 Ruchi Soya. IND
 Sampoerna Agro. INDO
 SIPEF NV. BELG
 Smithfield Foods Inc. USA
 Socfinal. LUX
 United Plantations Berhad. MAL
 Wilmar International. SI









Grupo André Maggi

To be a company of reference in sustainable development; this is the vision of André Maggi Group. Our target is to reach it in the shortest possible time because we know this can contribute positively to the agribusiness sector and its supply chain, showing that responsible production is quickly becoming one of the main transformation engines for the planet.

The André Maggi Group is completely aligned with the transparency criteria of FFD towards the forest protection. We applaud this initiative and are proud to be recognized as the leader of our category in the FFD annual review.

Forest preservation and responsible agricultural production is our goal, because we believe that these themes need to be treated as one. We also believe that the impact of FFD as an initiative can encourage other companies to take part in these actions; which can lead us to think and achieve a sustainable future for the planet.

Waldemir Ival Loto,
Chief Executive Officer

Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Grupo André Maggi. BRA	✓	   	1 2
IOI Group Lodders Croklaan. MAL	✓		1
Sime Darby. MAL	✓	  	1



Media

Sector Leader: Reed Elsevier

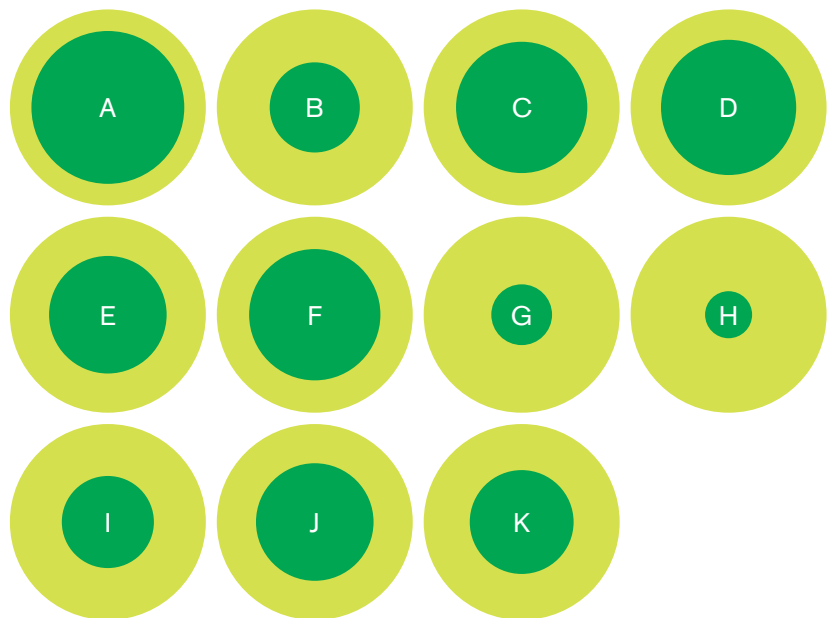
This has been a traumatic year for the media sector in so many ways and we appreciate the continued participation of companies. We also welcome a new discloser, the US-based Walt Disney Company, following on from its recent Paper Sourcing Statement on avoiding rainforest deforestation in Indonesia and 2011 Corporate Citizenship Report commitments to 100% sustainable paper sourcing.

BSkyB also deserves a particular mention for being one of the three most improved companies this year and for the wide range of commodities they included in their disclosure.

Paper consumption, for operational reasons and packaging, continues to be the main commodity under consideration in the sector. Given the widespread availability of certified and recycled materials, this makes the case for non-disclosure even more difficult to argue. We call on other companies in the sector to make transparent their response to forest commodities risk.

Although printed materials are excluded from the EU Timber Regulations, many feedstocks for this sector will be bought in a raw state and therefore fall under these due diligence obligations. Market demand will increase pressure on the paper industry to improve disclosure. There is a risk of some impact on fibre prices and availability from risk-averse companies in other sectors seeking sustainably certified sources which could offer some competition to more established users and this will need internal management to secure feedstocks at consistent pricing.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	78%
B Risk Assessment	46%
C Review of Your Supply Chain	67%
D Public Commitments by Forest Risk Commodity	69%
E Strategy Development	60%
F Managing for Performance Improvement	67%
G Sustainable Supply Chain Development and Support	31%
H Scope and Coverage	24%
I Public Reporting	47%
J Governance Process	60%
K Identifying Risks and Opportunities	53%



Companies that did not complete Disclosure Request 2011

Bertelsmann. GER

Singapore Press Holdings. SI

Time Warner. USA

Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
BSkyB. UK	✓		1 2 3
News International. UK	✓		1 2 3
Reed Elsevier. UK/NETH	✓		1 2
Walt Disney Company. USA			1 2

Reed Elsevier

'Participating in Forest Footprint Disclosure allows us to benchmark our impact on forests and identify areas for improvement. Going forward, we will continue to work with others, including by expanding data to encompass carbon and water impacts through the Publishers' database for Responsible Environmental Paper Sourcing (PREPS), and helping develop new tools such as the Environmental Action Group's new carbon calculator, BookCarbon.

Mark Gough,
Global Environment and Health &
Safety Manager

Oil & Gas

Sector Leader: Greenergy International Ltd.

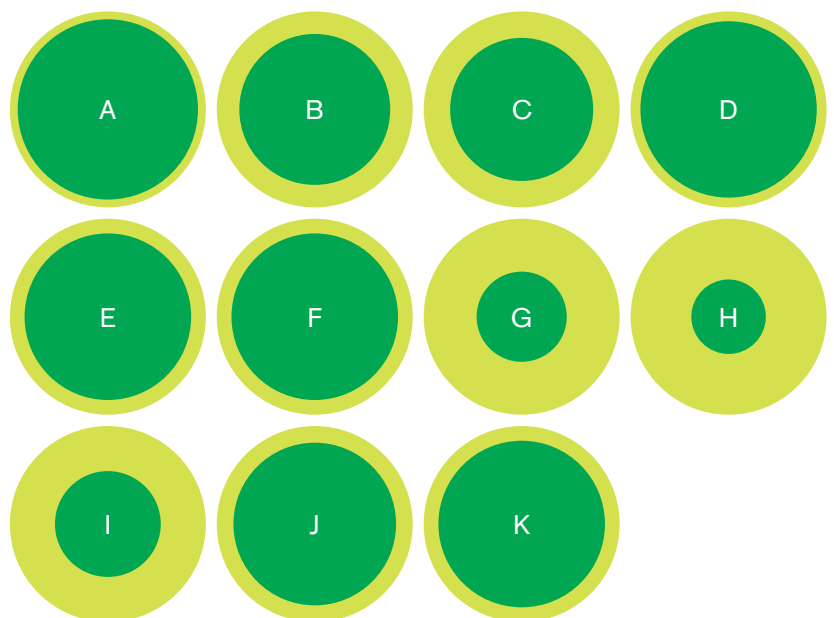
We acknowledge the continuing leadership of the biofuel industry in this sector, which makes the lack of disclosure from the oil and gas sector even more shameful, given its scale and available dedicated environmental resources.

Sector leader Greenergy International is to be particularly congratulated, as it was also one of FFD's most improved companies overall.

The sector faces a number of serious issues which require attention: the sustainability criteria for biofuels in the EU have been heavily criticized; headlines on land grabbing for biofuel conversion have dominated the news for much of the year; many reports on the need for good land use planning to ensure food security have been produced by a wide range of stakeholders from the UN down, and so companies need to be transparent about their policies and vocal in their commitment to sustainability. This makes the lack of disclosure in this sector very difficult to understand, particularly given the example of brand value loss demonstrated by BP earlier this year and the commitment of others, such as the aviation sector, to biofuels to address their carbon footprint.

There are ongoing debates about acceptable feedstocks and the responsibility of companies to perform due diligence on their supply chains. Neste Oil, last year's leader, has this year received NGO criticism for its chosen supplier of palm oil destined for the EU market. It seems that some organisations are fundamentally opposed to biofuel derived from oil palm even if it is from RSPO certified feed stock, but there is a broader argument about a supplying company's relationships. We would encourage open and constructive debate on the issue of where the boundary of responsibility within the supply chain stops. True innovators in this sector need positive support and exposure for their commitment and FFD welcomes more of those seeking to build companies based on true sustainability criteria.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	92%
B Risk Assessment	77%
C Review of Your Supply Chain	73%
D Public Commitments by Forest Risk Commodity	90%
E Strategy Development	85%
F Managing for Performance Improvement	85%
G Sustainable Supply Chain Development and Support	46%
H Scope and Coverage	38%
I Public Reporting	54%
J Governance Process	83%
K Identifying Risks and Opportunities	85%

Companies that did not complete Disclosure Request 2011

- BP. UK
- Chevron. USA
- ConocoPhillips. USA
- Exxon Mobil. USA
- Petrobras. BRA
- Royal Dutch Shell. NETH
- Total. FRA
- Valero Energy. USA



Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
Greenergy Intl Ltd. UK	✓		1 2 3
Neste Oil. FIN	✓		1 2
Piedmont Biofuels. USA	✓		2

Greenergy

Greenergy manufactures and blends biofuel into the fuel it supplies in order to meet legislative requirements and cut greenhouse gas emissions. We have significantly reduced our use of crop-based biofuels by investing in biodiesel production from waste streams we were previously unable to use. For our remaining biofuels, we have worked with individual suppliers to obtain land use and carbon information, recognising that when we use the world's finite resources to produce biofuels, we must do so responsibly.

We believe that disclosure drives improvement and therefore we welcome the FFD project for encouraging more considered corporate reporting.

Tamara Earley,
Managing Director

Utilities

Sector Leader: Drax Group

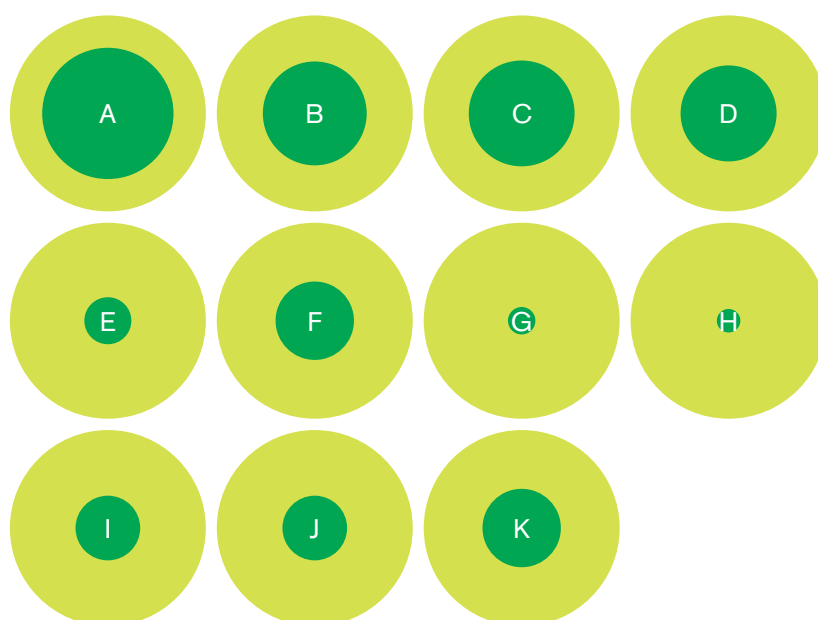
Generally the utility sector continues to struggle with the sustainability challenges of forest products in its operations and supply chain.

Sector leader Drax should therefore be congratulated for addressing the significant sustainability challenges in securing its industrial supply lines.

The potential growth of the industry in response to regulatory pressure and the need to secure supply should hopefully encourage others to demonstrate their strategic response both to sustainability and to securing essential raw materials, especially given the competition with other wood users. In some countries, legislation on biomass is set up now to balance the competing needs of wood users and expansion or conversion plans need careful consideration to ensure long-term viability. The projected growth of biomass use in the sector is so significant that stakeholder interest in the sourcing of feedstocks can only grow.

The establishment of a trading platform for biofuel pellets in Europe is an indication of the economic importance of this 'new' energy resource and FFD would welcome disclosure from all participants in the market both as consumers and suppliers.

Diagrammatic Representation of Sector Average Scores



Disclosure Request Section	Sector Average Score
A Profile of Materials Bought In (By Commodity)	67%
B Risk Assessment	53%
C Review of Your Supply Chain	54%
D Public Commitments by Forest Risk Commodity	49%
E Strategy Development	24%
F Managing for Performance Improvement	40%
G Sustainable Supply Chain Development and Support	14%
H Scope and Coverage	12%
I Public Reporting	33%
J Governance Process	33%
K Identifying Risks and Opportunities	40%

Drax Group

Drax takes pride in being recognised by Forest Footprint Disclosure as the sustainability leader in the utilities sector. Reducing our carbon footprint is central to our business strategy and over the past eight years we made significant progress through replacing coal with sustainable biomass at Drax Power Station. We are at the forefront of the introduction of credible sustainability standards for solid biomass procurement with criteria and methodologies to define sustainability and calculate lifecycle CO₂ emissions. Drax will continue to procure biomass only from those suppliers which comply with our robust sustainability principles.

Nigel Burdett,
Head of Environment

Companies that did not complete
Disclosure Request 2011

Vattenfall. SWE

Vogen Energy. UK

W4BUK. UK



Companies that completed Disclosure Request 2011	Disclosed in 2010	Commodities Covered	Scopes Covered
American Elec Pwr. USA	✓		2
Drax Group. UK	✓		2
National Grid plc. UK	✓		2



The world's population recently passed 7 billion, heading towards 9 billion by the middle of this century. Feeding this growing population is an increasingly complex problem, exacerbated by land and resource constraints and the impacts of changing diets in emerging markets. Increased wealth in the growing economies of Asia leads to increased consumption of meat rather than grain, requiring more land to produce the same calories. Add to this the effects of climate change, creating more severe droughts and flooding leading to crop failure, and it becomes clear that a 'commodity crunch' is not just a possibility but an inevitability.

We saw a shot across the bows in 2008, when droughts and disruption to commodity supplies, coupled with increased demand from China, led to price spikes across the whole commodity asset class, from oil to rice. However, it was in agricultural commodities that the most significant reactions occurred, resulting in export bans on staple foods, internal unrest in poorer countries and a global focus on the lack of food security for the future.

Against this backdrop, it is hardly surprising that many countries are more concerned about how to expand agriculture, with its twin benefits of wealth generation and self-sufficiency, than the rapid depletion of their natural capital, such as water and forests. A crop such as palm oil, which has significantly higher yields per hectare than other vegetable oils, has a rapidly expanding area of production and can be part of the solution to feeding a growing population in the short-term. And yet it is short-term thinking that is the biggest problem – companies, investors, consumers and governments are all guilty of it. As a global society we have yet to consider whether creating large areas of monoculture is sensible at a time of increasing climate risk with shifting crop disease patterns, especially



James Hulse
Director, Forest
Footprint Disclosure

in areas where it is displacing food production and reducing resilience. In the rush to convert land to agricultural use, we are depleting our natural capital at an unsustainable rate, but clearly no-one wants to stop as we are creating short-term wealth and short-term solutions to hunger. So what is the solution?

The key is a more sustainable agricultural system, one which uses natural resources at the rate and in the manner in which they can be replaced naturally. Better water conservation, sustainable forestry management, use of better genetic materials to generate higher yields, less monoculture and more efficient use of artificial fertilizers – in short, 'smart' agriculture, driven by technological innovations and leading to increased yields, improved resilience and lower environmental impacts. That kind of agriculture isn't just better for the planet, it is simply better business.

Smallholder forestry managers in Brazil are now keen to become FSC certified because, although it costs them money to do so and they do not necessarily receive a premium for their product, the improvement in management practices that certification introduces leads to greater efficiency which more than pays for the cost of certification. Better water management also lowers costs and reduces the impact of a drought on crop yields, as does the use of drought-resistant crops. Smart agriculture is an investment in our collective future, not simply a cost.

More efficient use of inputs is clearly going to financially benefit agricultural producers, as well as make their business less environmentally damaging and more sustainable. Better supply chain management from retailers, traders and processors will improve security of supply, as well as encouraging better growing practices by sending out the message that they are both economically viable and necessary in order to do business with consuming markets.

And ultimately traceability and third party certification builds a more robust supply chain, which will improve resilience to short term stress, leading to increased food security for everyone. Finally, we have to waste less of what is grown – in the field, in transport and in the home.

These are not easy solutions to achieve and they will take financial investment as well as real commitment. We have also to ensure there are no unintended consequences from more efficient crop production threatening more land conversion. More profitable agriculture can mean more incentive to plant or graze anywhere, including on biologically rich or forested land. Achieving true sustainability will require action from a wide range of parties, from local forest communities to national, regional and local governments to ensure compliance, but the private sector is best placed to initiate, finance and drive the sustainability agenda in their own interests as well as those of the planet.

James Hulse
Director, Forest Footprint Disclosure

Initiatives to reduce agricultural expansion into forests

Whilst efforts to increase agricultural productivity and to reduce deforestation have existed for decades, on-the-ground efforts to link the two are nascent. Last September, representatives from the private sector, NGOs and IGOs, governments, philanthropic foundations and research institutions discussed twelve initiatives to reduce agricultural expansion into forests. The initiatives spanned a range of geographies and agricultural systems. A few examples include:

Project SHARP: Smallholder Acceleration and REDD Programme

Project SHARP is a multi-stakeholder partnership driven by the private sector to support oil palm smallholders to improve their livelihoods, improve yields, and reduce deforestation. By assisting smallholders to plant better quality palms and adopt improved agricultural practices, oil palm producing companies and financial organizations have the potential to help reduce the need to expand palm oil production into forests, delivering reduced greenhouse gas emissions and protection of biodiversity. Simultaneously, Project SHARP aims to empower smallholders by building on the Free, Prior and Informed Consent approach and linking sustainable smallholders to markets.



Andréanne Grimard
The Prince's
Rainforests Project,
The Prince's Charities'
International
Sustainability Unit

Mata Atlantica: Cattle intensification and reforestation in Atlantic Rainforest

With the support of government, a coalition of stakeholders including Instituto GAEA, Conservation International, Vale and Accenture are developing a plan to link the reforestation of strategic corridors in the Atlantic Rainforest biome with cattle intensification. The biodiversity co-benefits are estimated to make it the most important conservation project in terms of avoided extinctions while creating tens of thousands of jobs that would primarily target the lowest income class in Brazil. The coalition is also developing business cases that would make the project attractive to a range of private investors.

Project POTICO: Diverting palm oil expansion onto low carbon degraded land

Conservative estimates suggest that there are at least 6 million hectares of degraded land in Indonesia – a portion of which could be used for palm oil expansion. Degraded land here refers to areas already clear of their native forest cover, with low levels of biodiversity and low carbon stocks, and which are not used by local populations. The World Resources Institute (WRI) has mapped degraded land suitable for palm oil in the provinces of West and Central Kalimantan and consulted local communities in a first

‘Whilst efforts to increase agricultural productivity and to reduce deforestation have existed for decades, on-the-ground efforts to link the two are nascent.’

step towards securing their Free, Prior and Informed Consent. It is also working through legal requirements to swap palm oil concessions from forests to degraded lands.

RT-REDD: Building bridges between REDD+ and Roundtables

Both REDD+ and agricultural commodity Roundtables place restrictions on forest clearing and impose environmental and social performance criteria – or “safeguards”. RT-REDD, an initiative led by IPAM in collaboration with 7 other organizations, will work to create links between REDD+ funding and small scale farmers who aim to obtain certification under the Roundtables for palm oil, soya and sugar.

It is important to note the above initiatives must be implemented in the context of systems that prevent expansion into primary forest, as they otherwise risk creating

perverse incentives to conduct additional deforestation. Also, in order to move from pilot initiatives to scale, all projects discussed last September require some enabling conditions to be met. These conditions include land use mapping and planning, increased clarity of land titles, integrated monitoring, reporting and verification systems at scale, alignment of standards, institutional capacity building, revitalisation of extension services and improved data to quantify impacts.

A full summary of the meeting's outcomes and information concerning the projects can be found at: www.pcfisu.org/the-princes-rainforests-project

Andréanne Grimard,
The Prince's Rainforests Project, The Prince's Charities' International Sustainability Unit

Rabobank's Food & Agribusiness Principles

Rabobank has a solid position in the Global Food & Agri value chain. This unique position allows it to oversee the entire value chain permitting Rabobank to address important sustainability issues.

Rabobank expects the international Food & Agri industry to generate economic growth in the years ahead, by designing production processes more efficiently and sustainably, aiming for maximum reuse of products and parts and recyclability of raw materials and resources. This development also impacts Rabobank as it is, after all, virtually the only bank that finances the entire food chain worldwide. Rabobank owes this position to its historic knowledge of the Food & Agri sectors and its clients' motives since its foundation in 1898 and by being globally present where its clients are also active. The bank joins with its clients in striving for sustainability throughout the entire food chains: from 'raw material to plate'.

We are guided in this pursuit by our Food & Agribusiness Principles. These reflect Rabobank's belief that it is possible to create mechanisms that both successfully increase food security and protect the natural systems, upon which food production is dependent. Society moreover expects Rabobank, in its role as the leading Food & Agri bank, to make an active contribution to the food issue. The bank is committed to accepting its responsibility in this area, which fits in with its strategic objective to convey thought leadership in addition to being market leader in F&A markets. The five Food & Agri Business Principles are:

1 Providing sufficient and safe food



Daniela Mariuzzo
Head of CSR & Sustainable Business Development, Rabobank Intl, Brazil

Richard Piechocki,
Project Manager Sustainable Business Development, Rabobank Group, The Netherlands

production

- 2 Using natural resources responsibly
- 3 Promoting social welfare
- 4 Keeping and caring for animals responsibly
- 5 Helping promote well-considered consumers and citizen choices

These Principles are integral to Rabobank's quest to build a sustainable food production and supply chain with its clients. A sustainable food supply relies on healthy and vital ecosystems, which is why protecting high ecological value land in the direct or adjacent environment upon which the food production is dependent is of foremost importance. This will ultimately make it possible for every human to have access to healthy food at an affordable price whilst conserving the vitality and resilience of nature.

In order to make a concrete contribution to the realisation of sustainable production chains, Rabobank has chosen to be active in multi-stakeholder initiatives in sectors relevant to the bank, such as the Round Table on Sustainable Palm Oil (RSPO), Round Table on Responsible Soy (RTRS), Bonsucro (Sustainable Sugar Production), GTPS (Brazilian Working Group on Sustainable Beef) and in the innovative Fast Track Better Cotton Program of the Better Cotton Initiative (BCI). Rabobank has furthermore developed a balanced set of theme and sector policy documents that set out the game rules for how the bank and its clients should act vis-à-vis certain topics (human rights and biodiversity) and production chains (including palm oil, soybeans, sugar, coffee, cocoa, fish farming, fishing, wood and cotton). The standards formulated in the roundtables and the bank's sustainability policy form the framework within which sustainable activities must be brought about in practice.

Daniela Mariuzzo,
Head of CSR & Sustainable Business Development, Rabobank Intl, Brazil

Richard Piechocki,
Project Manager Sustainable Business Development, Rabobank Group, The Netherlands

The Forest Footprint Disclosure project encourages companies to source sustainable and traceable forest risk commodities. In an ideal world, companies would know their supply chain right back to primary production and be able to verify that each stage of the chain is using sustainable materials. While this is possible for some companies, such as those with short supply chains and fewer suppliers, in practice we need a 'proxy' for sustainability. This is what third party audited certification schemes hope to offer: a higher degree of trust and consistent standards to judge others by. But can certification schemes guarantee that a product has not contributed to deforestation?

Firstly, let's look at what certification isn't. Most importantly, it is not an end game in itself, but rather a tool which serves as a step on the journey towards traceability and sustainability. It is also not a replacement for due diligence, but can be a major part of that process. But first how does certification work? No product can claim to be made from sustainable materials unless it has been verified at the point of origin (growing or production certification) and checks have been made to ensure that there are no breaks in the supply chain, which is usually done through a separate Chain of Custody (CoC) certification. So the ideal certification model focuses both on growers and the value chain, to ensure that the product is traceable right through the supply chain. Certification relies on use of third parties, rather than simple self declaration and a global industry has sprung up to offer assurance and verification that what companies say is true.

For forest risk commodities, there are several certification schemes of varying maturity, supported by multiple stakeholder processes. The roundtable or consultative scheme draws in a mix of industry players and civil society partners, which together establish voluntary standards of production to ensure

sustainability and to minimize environmental and social malpractice. The most mature commodity in this respect is timber, with several certification schemes such as the Forestry Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), but it is worth noting that after more than 15 years consultation, even these schemes have less than 10% of all forest worldwide under certification. The FSC certification is regarded as having the highest growing standards and enjoys the broadest NGO support and so the FFD questionnaire awards the highest weighting for those companies who are fully FSC certified or buy 100% FSC-certified products. However, we recognise that all types of certification with a certified CoC have real value.

'The Forest Footprint Disclosure project encourages companies to source sustainable and traceable forest risk commodities.'

There are several certification schemes for palm oil, including new country-specific government backed schemes in Indonesia and Malaysia, but the primary focus is on the Roundtable for Sustainable Palm Oil (RSPO). The RSPO provides both grower and chain of custody certification and offers the Green Palm certificate trading scheme alongside certified physical oil using different supply chain models. FFD supported the RSPO Green Palm scheme as a process to kick start activity in the sector; however, we believe that the time has come for a more fundamental behavioural change: for all players to now use physical certified sustainable palm oil (CSPO). Where segregated CSPO is not available we recommend immediate use of mass

balance approach, which is starting to push certified product through the supply chain and encourage global demand. Mass Balance allows for the combination of sustainable and conventional palm product at various points in the supply chain. Certified administration systems have to ensure that the volume of sustainable palm product claimed by a company is not more than the volume actually

‘There are many credible certification schemes for biofuels, driven perhaps more by legislation than the voluntary sustainability agenda. FFD focuses on those biofuel sources which may be associated with deforestation such as palm oil, soya and biomass.’

sourced. Ultimately, we would like to see only segregated CSPO in use to force behavioural change and a commitment to become certified throughout the whole value chain and we will be encouraging disclosers to move to this position.

There are many credible certification schemes for biofuels, driven perhaps more by legislation than the voluntary sustainability agenda. FFD focuses on those biofuel sources which may be associated with deforestation such as palm oil, soya and biomass. We believe there is still more work to be done in all schemes to define exactly what land can be used for growing these crops and how indirect deforestation can be avoided. The relationship between legislation, formal land use planning and the use of voluntary standards needs greater consideration from policy makers.

For soy, the Roundtable on Responsible Soy (RTRS) is globally recognised as being the most credible certification scheme having developed in a multi-stakeholder public consultation, though it has been controversial among some consumers and NGOs for its acceptance of genetically modified (GMO) soy within sustainability standards. Given that the vast majority of soy grown around the world is genetically modified and while segregated non-GMO product is still available, it seems at the very least pragmatic to include it to improve global growing behaviour. The launch of the first RTRS certified product in 2011 demonstrates the practicality of this approach and the potential for certified soy supply looks encouraging. This offer by the growers now must be matched by demand from the consuming markets.

Finally, for cattle products - beef and leather - sustainability standards lag behind the other commodities, though work has been done by both the Sustainable Agriculture Network (SAN) and the Working Group on Sustainable Beef (GTPS) in Brazil which should produce the first certified cattle ranches in early 2012. We are watching progress with interest. FFD's current role is facilitating dialogue between the ranchers and end users to understand the issues and to actively encourage the market for sustainable beef and leather by promoting understanding of the supply chain complexities involved.

Overall then, certification schemes play an important role in the journey towards sustainably produced commodities. They are a key opportunity for industry to help shape a common vision of what sustainability means on the ground. Involvement improves the practicality of the systems created and generates a sense of ownership of the process. We encourage both companies and investors to participate and contribute to the roundtables and their key debates to ensure the broadest possible consensus and uptake.

2011 Timeline for Timber

Timeline



February

The \$500bn Norwegian Government Pension Fund excludes Malaysian logging company Lingui Developments Bhd from its holdings, on the recommendation of its Council of Ethics.

March

Non-governmental organisations working in Riau Province, Sumatra, urge the Indonesian Government to include 1.2 million hectares of the remaining natural forest in Riau in the two-year moratorium on natural forest and peat conversion that is part of the US\$1 billion Indonesia-Norway REDD Letter of Intent. This region is under particular stress for conversion to industrial forestry to support pulp mills and palm oil production.

April

The NGO Forest Ethics continues to campaign against the Sustainable Forestry Initiative (SFI) forestry certification, resulting in SFI responding with an open letter disputing their accusations and emphasising its unique commitment to research into Sustainable Forestry Management (SFM).

May

The EU and Indonesia sign a Voluntary Partnership Agreement (VPA) to keep illegally logged wood from reaching the European market under the FLEGT process.

June

Malaysian timber company Concord Pacific is fined \$100 million for large-scale illegal logging.

The C\$2bn (\$1.95bn) Labourers' Pension Fund of Central and Eastern Canada launches a C\$6.5bn class action suit against troubled forestry firm Sino-Forest and its auditor Ernst & Young in the latest twist in the 'Muddy Waters' saga.

Mattel announces a sustainable procurement policy to address the issue of deforestation. The policy includes requirements for packaging suppliers to commit to sustainable forestry management practices and follows a high profile Greenpeace campaign.

International Tropical Timber Organization issues a report showing the area of certified sustainably managed tropical forest is up to 53 million hectares, from 36m in 2005, but this still represents only 10 per cent of all productive tropical forests. This figure is disputed by the Centre for International Forestry Research (CIFOR), who claim that a significant amount of the timber sold with the Forest Stewardship Council certification from the tropics does not actually meet the FSC's strict rules due to poor quality assessments and fraud in the supply chain.

July

Global Witness, an investigative NGO, accuses WWF of failing to regulate companies in the Global Forest and Trade Network, its sustainable timber scheme. WWF vigorously defends its scheme but later launches an independent review of the accusations.

August

Australian ABC News' Foreign Correspondent programme looks into Asia Pacific Resources International's operations on the island of Sumatra, Indonesia. The programme, titled "Sumatra – Paper/Tiger", gives a shocking view of the ongoing destruction of Sumatra's remaining forests by the paper industry in the region and continues to increase the pressure on these companies to publicly address the sustainability of their fibre sources.

Australian Prime Minister Julia Gillard signs a \$276m Tasmania forestry pact to address the long standing dispute over the conversion of natural forest into pulp wood for the global market and local paper production. The package confirms the reservation of 430,000 hectares of native forest around the state but ensures existing major logging contracts can be met from forests outside the protected areas. Hopefully this compromise will be sufficient to resolve one of the longest standing forestry campaigns and secure the future of the state's natural capital.

October

The Dutch Government public procurement guidance is reviewed by its SMK Appeal Board which decrees that the Malaysian Timber Certification Scheme timber is not compliant with its procurement policy.

It becomes clear that European companies in the extractive and logging industries will be obliged to report every year on payments made to governments in countries where they operate, under a European Union Directive to introduce country-by-country reporting (CBCR).

2011 Timeline for Timber

Timeline



A coalition of environmental and social NGOs releases the 'On the Ground: The controversies of PEFC and SFI' report detailing the results of an investigation purporting to expose the failings of the PEFC (Programme for the Endorsement of Forest Certification), the largest global forestry certification scheme, in part because it is forest-industry-controlled.

November

A new report from the University of British Columbia, published in Ecological Modelling and Remote Sensing of the Environment, shows a huge "migration" of trees has begun across much of the west of the US due to climate change, insect attack, diseases and fire. Many tree species are projected to decline or die out in regions where they have been present for centuries, while others move in and replace them.

Greenpeace chalks up another win in its campaign to get companies to shift to greener paper supplies. Hasbro follows in the steps of Mattel, releasing a new paper and forest products policy that will guide the toymaker to its 2015 goal that 90 per cent of its paper packaging will either be recycled or come from sustainable sources.

Australia's own illegal logging action comes into force. Like the EU Timber Regulations, the Bill restricts the importation and sale of illegally logged timber. Importers of regulated timber products and processors of raw logs will be required to fulfil due diligence requirements.

A VPA between the EU and the Central African Republic (CAR) is signed at a ceremony in Brussels. The next legal step in the VPA is the ratification of the accord by the parliaments of CAR and the EU, scheduled for next year. By contrast with all previous VPAs, this one does not include the CAR domestic market.

December

Greenomics, an Indonesian NGO, alleges that Asia Pulp and Paper's (APP) supplier PT Ruas Utama Jaya has cleared an area of forest it pledged to set aside as a tiger conservation reserve in Sumatra. The claims are supported in another report by Eyes of the Forest. APP states that this area was allocated for conversion with full Indonesian government approval. Such disputes continue to plague the paper industry in Indonesia as local government appears to support land conversion despite the public moratorium. New research by Daemeter Consulting shows that Indonesia has exempted 3.6 million hectares of forests and peatlands from protected status under its moratorium. In its new indicative map, 10.7 million hectares are protected, down from the 15.5 million in previous versions. The root of the issue appears to be that the extent of pre-existing licences has not been understood and their scale accounted for by central government.

2011 has been an interesting year for those in the wood value chain. Overall the context is shifting as timber procurement, an issue that has been of niche concern for so many years, assumes a much higher profile. This is largely due to the regular flow of 'exposés' by civil society organisations in both the UK and the US, together with changing regulations. This continues to raise the stakes for major brands that do not undertake proper due diligence on their strategic raw materials and regulatory obligations. The standards of a wide range of voluntary initiatives have also been scrutinised, especially the PEFC, with its SFI (Sustainable Forestry Initiative) certification system in the US, and the buyer and trader group the WWF GFTN – a key advocate of the FSC certification system. With European, US and now Australian illegal logging legislation in place we are transitioning into a more regulated environment.

2011 Timeline for Beef/Leather

Timeline



February

Antenor Nogueira, president of the beef livestock forum of the Agriculture and Livestock Confederation of Brazil (CNA), announces that Brazil's exports of bovine meat will increase during 2011 due to the recovering pace of trade with the EU. The 27% decrease in the volume of Brazilian exports over the previous 3 years had been in part due to the EU placing limitations on Brazilian imports, owing to difficulties in implementing livestock traceability standards. The Vice President of the CNA, Ademar Silva Júnior, goes further to say that "we want to show that the Brazilian producer is not the villain in deforestation, global warming, nor for diseases considered to be risky".

March

McDonald's Corporation announces its Sustainable Land Management Commitment, developed in partnership with WWF. The overall goal of the Commitment is to ensure that the agricultural raw materials for McDonald's products originate from legal and sustainably managed land sources.

April

The Brazilian Working Group on Sustainable Beef (GTPS) votes to keep a goal of 'zero deforestation, with economic incentives'.

Brazilian JBS-Fibro, the world's largest meat processor, signs an agreement with prosecutors from several Amazon states to stop purchasing cattle from areas embargoed by environmental inspection agencies. A breach of the agreement could result in fines up to 500 Reals (approximately \$300) per pound of beef. The agreement aims to significantly reduce deforestation for cattle production in the region.

June

The International Meat Congress is held in Campo Grande, Brazil. Representatives from the FAO and Embrapa (Brazilian Agricultural Research Corporation) present on GHG emissions from the cattle sector and sustainability of cattle production. 'Our goal now is to improve our pastures to produce animals in less time and thus emit less gas' the Embrapa representative states. Although sustainability is covered in the agenda, a specific module concerning deforestation is absent.

July

COTANCE (Confederation of National Associations of Tanners and Dressers of the European Community) and the European Trade Union Federation for Textiles, Clothing and Leather launch a joint project on the traceability of raw materials for European tanners and the transparency of the origin of hides and skins. This one-year project aims to provide the sector with a joint recommendation for further action.

October

Greenpeace publish the 'Broken Promises' report highlighting that since their 2009 'Slaughtering the Amazon' campaign (which resulted in major meatpackers in Brazil signing a public commitment to stop sourcing cattle from ranches on land that had been recently deforested or located on indigenous lands), analysis of trade data from the Amazonian state of Mato Grosso revealed that JBS had purchased cattle from properties in contravention of their commitment in 2009. Proposed changes to Brazil's Forest Code are cited in the report as a contributing factor to this breach of the agreement.

The Federal Public Prosecutor's Office (MPF) in the Brazilian state of Mato Grosso files a lawsuit against the Brazilian meat packer JBS for sourcing illegal meat from farms embargoed by IBAMA (Brazilian Institute of Environment and Renewable Natural Resources). The farms are found inside Indigenous Territories and slave labour areas in violation of a TAC signed by the company in 2009.

November

The GTPS, whose members include Rabobank, WWF, the Association of Brazilian Beef Exporters (ABIEC) and Walmart, takes the formal decision to join the Global Roundtable for Sustainable Beef (GRSB), a global multi-stakeholder roundtable initiative aimed at creating continuous improvement in the beef supply chain. Members of the GRSB include the Australian Roundtable for Sustainable Beef, Cargill, Elanco, JBS, McDonald's, Merck Animal Health, Rainforest Alliance, Solidaridad and The Nature Conservancy. The Dutch Ministry of Foreign Affairs announces it will provide €2 million in financial support for GRSB projects in the global beef production supply chain. The funding will come through the development organisation Solidaridad as part of a larger financing arrangement with the Dutch government. Matching funding will be provided by the relevant industrial sectors involved and GRSB affiliates in beef-producing nations across the globe.

December

McDonald's Corporation releases its 2011 Sustainability Scorecard, reinforcing its commitment to mainstreaming sustainability. The 2011 Scorecard details progress in five priority areas, including sustainable sourcing. As part of the Sustainable Land Management Commitment, measurable progress has been made in its five initial focus areas of beef, poultry, coffee, palm oil and fiber; in beef this relates to its participation in multi-stakeholder initiatives working on actions from the Global Conference on Sustainable Beef held in 2010.



2011 Timeline for Beef/Leather

2011 Brazilian Cattle Trends



A mix of contrasting trends characterised 2011 as far as cattle chains in Brazil are concerned. Large meatpacking companies, despite funding from BNDES state development bank, reached unprecedented levels of indebtedness. Further mergers and acquisitions are expected for 2012, as well as the closing of a number of slaughterhouses, due to significant unused industrial capacity.

Conversely, overexploitation of the herd over previous years interrupts the trend towards increased production and, together with the appreciation of the Brazilian currency, makes the US take over again as the world's leading exporter (also through Brazilian-owned, US-based companies).

Some encouraging progress was made towards implementation of the agreements between meatpackers and the Public Prosecutor, especially in the state of Pará, and this has led to a significant reduction in deforestation in that state, where an unexpected 43,000 producers enrolled in the environmental registry of ranches, a condition for continuing as a supplier to large companies.

A big issue throughout the whole year was the Forestry Code. In the end, new legislation as proposed creates an amnesty for past penalties and fines, even if conditioned upon partial reforestation, while the demands from the agricultural lobby are for unconditional forgiveness. On the other hand, the same legislation creates an innovative set of economic instruments: will they work? It will depend largely on the implementation plan, which the government has to issue by the first semester of 2012. Theoretically, it should remunerate those who kept their forests standing for environmental services and stimulate the others to reforest their land in advance of their legally binding deadline. Very nice, indeed, on paper.

Last but not least, in the initial months of 2012 we should announce a few



Roberto Smeraldi
Director, Amigos
da Terra, Amazônia
Brasileira

pioneer ranches, certified according to the Sustainable Agriculture Standards. So, certified beef and leather from the Amazon will soon be a reality, and should be recognised by the market for its positive forest footprint. With partners such as Embrapa, Imaflora, Imazon, ICV, ESALQ, NWF, Carbon War Room, WRI and FFD, we are targeting ambitious, systemic changes into the relevant value chains and now need the support of the international community to move this into the mainstream.

2011 Timeline for Beef/Leather

Brazilian Leather and the Leather Working Group



Brazil has the world's largest commercial cattle herd and is a major exporter of leather. In addition to exporting finished products directly, around half of all hides exported are destined for China and Italy, where they are processed into clothing and accessories and re-exported throughout the world. The U.S. and E.U. rank first and second for end-destinations for Brazilian leather. Around half of Brazil's processed leather exports go to the U.S. and half of China's leather exports are also destined for the U.S.

The Leather Working Group was set up in 2005 to bring together retailers, end-product manufacturers, leather manufacturers, chemical suppliers and technical experts to agree on a set of environmental best practices for the leather industry. Members produce about 25% of the world's footwear and the Environmental Auditing Protocol that the group developed is used to audit around 10% of the world's leather. In 2010, the group agreed to incorporate hide traceability into the auditing system. Audited tanneries receive a grade (A to F) depending upon the percentage of their hides which are traceable back to a slaughterhouse. For hides originating in the Amazon biome of Brazil, they should be traceable back to the ranches and these ranches must be shown to have no post-October 2009 deforestation. Sixteen Brazilian tanneries have been audited since the traceability component was included and the ratings received have varied from Grades A to F. Traceability from farm to slaughterhouse is the responsibility of the slaughterhouse facility but the Leather Working Group's protocol is playing an important role in demonstrating wide concern about deforestation and support for an effective system of mapping and monitoring of deforestation in the cattle product supply chain.



Nathalie Walker

Ph.D., Manager
Tropical Agriculture,
Forests and Climate
Project at National
Wildlife Federation

2011 Timeline for Soy

Timeline



March

UK newspaper 'The Telegraph' runs a number of articles about genetically modified (GM) soy as an ingredient in animal feed and the widespread consumption in Europe of imported meat, milk and eggs from animals fed on GM ingredients. The lack of product labelling to show the use of GM inputs was presented as a 'loophole' in the EU regulations, which ensure supermarkets and manufacturers must label direct GM ingredients. This debate on soy as a feedstock to the animal feed industry is increasing in profile and the debate about GM soy is an issue dividing NGO support of the Roundtable on Responsible Soy (RTRS) over its inclusion of GMO in a sustainability standard.

April

WWF's "Save The Cerrado campaign" goes public and is followed by the publication of its 'Soy and the Cerrado: Brazil's forgotten jewel' report, which identifies the extent of deforestation in the region and the carbon impact of land use conversion. The Brazilian Cerrado is a vast landscape and one of the world's most biodiverse savannah regions, yet it is facing change on a huge scale, due to the rapid expansion of beef, soya and other crops. WWF suggests a combination of buyer pressure through the RTRS, effective law enforcement and land use planning, as well as changes in consumption to address this challenge. They call on UK supermarkets to join the RTRS and start responsibly sourcing soy. Currently Marks and Spencer, Asda (the UK branch of Walmart), Waitrose and Sainsbury's are members.

May

FFD jointly host 'Peak Soya?' with The Royal Society in London. The high-level meeting brings together leading researchers, companies involved in forest risk commodities such as soy and their investors to explore how current and potential future trends in South American climate, land use and policy could affect commodity supply chains.

June

Grupo André Maggi is the first company to be certified by the RTRS. Maggi had previously been targeted in Greenpeace's 2006 campaign and the associated report 'Eating up the Amazon', which linked soy-based feed for livestock for fast food chains in Europe to destruction of the Amazon rainforest. The RTRS standard was developed in a multi-stakeholder process and one of its key aims is to ensure that soy expansion does not take place 'at the expense of high conservation value ecosystems'.

The Dutch food and feed industry, represented by the Initiative for Sustainable Soy (IDS), buys the first available certificates for Sustainable Soy, representing 85,000 tonnes originating from Brazilian producer Grupo André Maggi.

July

The European Commission formally recognises seven voluntary schemes that can be used to check the sustainability of biofuels, including the RTRS. Note: Biofuels used in the European Union have to comply with sustainability criteria regardless of whether they have been locally produced or imported in order to obtain government support or count towards a Member State's national renewable energy targets. The sustainability criteria aim to prevent conversion of areas with high biodiversity and large carbon stocks for the production of raw materials for biofuels which includes forests and natural grasslands.

October

The Brazilian Association of Vegetable Oil Industries (ABIOVE) report that the 'soy moratorium' on clearing Amazon rainforest for soy farmers appears to be maintaining its effectiveness for a fifth straight year. Some groups raise concerns that expected changes to Brazil's Forest Code could put the moratorium and its success to date at risk.

December

Dutch companies in the soy value chain announce their intention to work to a target of 100 per cent responsibly produced soy sourcing for the production of meat, dairy, eggs and other foods in the Netherlands by 2015. Participating parties will invest €7 million, which it is hoped will enable soy growers in South America and other parties in the supply chain to implement the improvements necessary to achieve RTRS certification.



2011 Timeline for Soy

The Multi-Stakeholder Solution for Soy Certification



The Round Table on Responsible Soy (RTRS), creator of the multi-stakeholder based certification scheme for soy, started certifying in June of 2011. Since that date more than 400,000 tons of soy production has been certified by RTRS in Argentina, Brazil and Paraguay. The scheme's standards encompass legal and social norms and good farming practices, which will give the consuming markets confidence that RTRS certified soy is produced in a sustainable way, that is not destroying our planet or using unfair or antisocial employment practices.

Some of the certified soy has been sold for EU-RED compliant biofuels, but the majority has been converted into credits and sold on the RTRS Credit Trading Platform. A substantial market share needs to be built in order to switch from virtual credit trading to mass balance and segregated product in the case of, for example, RTRS conventional soy. The RTRS and its members are committed to gradually create more supply and demand, as well as to further strengthen its position in important stakeholder countries like the US and China. For 2012, RTRS expects to certify over one million tons of soy and continue growing to a substantial market share, with commitments given already from countries like the Netherlands, Belgium, UK, Sweden, Denmark and Switzerland.

The Dutch industry has already declared its commitment to 100% RTRS certified soy sourcing by 2015, as have some forward-looking companies. At the 7th Annual Conference on Responsible Soy, which takes place in London on the 23rd and 24th of May 2012, the initial experiences of RTRS certification and trade will be shared. Many stakeholders will join the debate on building bridges between supply and demand of this key commodity in the global market and we invite you to participate.



Ben Zeehandelaar
Manager,
Communication and
Outreach Unit, Round
Table on Responsible
Soy Association

2011 Timeline for Soy

RTRS Certificate: Another Big Step to Assure Product Reliability



In our business, there is a great concern about climate issues that affect agricultural production, shipping and energy generation through power plants. These issues make us increasingly attentive to social and environmental discussions and market demands, especially in the European market. It is no longer possible to think about the future of our activities by any means other than sustainable development.

For André Maggi Group, certifications represent an important tool of reliability to assure customers they are getting a responsible and sustainable product with regard to agricultural, environmental and social issues.

In 2011, André Maggi Group formalized the commercialization of the first lot of soybeans produced in accordance with the principles of the Round Table on Responsible Soy (RTRS).

The lot of 85,000 tons of soybeans was acquired by the Dutch Initiative for Sustainable Soy (IDS), during an event on June 8th in Rotterdam, Holland.

We became the first company worldwide to receive RTRS certification, a confirmation of the responsible production conducted by the Agro Division, verified through an audit that evaluated 98 indicators within the five principles of RTRS: legal compliance and good practices, fair and responsible work, responsible relationship with the community, environmental responsibility and good agricultural practices.

The RTRS certificate was a great achievement that confirms our commitment to responsible production and this was not the first time we showed leadership. In 2007, André Maggi Group was also the first company to certify a soy farm to ISO14001 standards in Brazil.

In 2011 our ISO 14001 certifications were renewed and expanded to include 12 other units. A total of 22 units including offices,



Waldemir Ival Loto
Chief Executive
Officer, André Maggi
Group

warehouses, plants, farm and shipyard were certified. But the most important thing is that none of this would be possible without the full engagement of our employees, so we are pleased to say that the certifications represent a deep commitment from our employees towards society and the environment.

2011 Timeline for Biofuels

Timeline



January

The UK's Renewable Fuels Agency (RFA), now part of the Department for Transport, announces which biofuel suppliers failed to meet the UK's voluntary sustainability standards in 2010. These include BP Plc, Morgan Stanley and Chevron Corp. It also highlights those that did report properly, including FFD Sector leader Greenergy Fuels Ltd. Standards for sustainability are part of meeting the UK government's target of 15 per cent renewables for energy production by 2020.

February

UNEP publishes its 'Green Economy Report' demonstrating that greening the economy provides a new engine for growth, job creation, and poverty reduction and encourages policy makers to facilitate more investment. Some criticism is levied at this report too, as it suggests that for a fifth of all liquid fuels to be bio-based by 2050, over a third of global agricultural forest residues will be required. This is a draw down which many believe will have a large impact on 'already over-stressed ecosystems'.

March

The Roundtable on Sustainable Biofuels (RSB) announces that it is launching the RSB Certification System, operated by an affiliated entity, the RSB Services Foundation, to provide access to the certification process, licensing, and auditors' training, amongst other activities.

May

A group of NGOs sue the European Commission for a lack of transparency on its biofuel policy, bringing a case to the European Court of Justice following the Commission's refusal to provide access to information in decisions relating to the sustainability of Europe's biofuels. The group wants access to information about the certification schemes the EC is considering as being compliant with its Renewable Energy Directive, so that civil society can participate in the process and strengthen the sustainability controls.

June

A report by NGO Friends of the Earth Europe, 'Flying in the Face of Facts: Greenwashing the aviation industry with biofuels' claims that biofuels provide a false solution to reducing GHG emissions in that industry. The report states that when indirect land-use change is taken into account, biofuels are more detrimental for the climate than fossil fuels, something hotly denied by others.

July

Europe's biodiesel industry could be wiped out by EU plans to tackle the unwanted side effects of biofuel production after studies show few climate benefits, states Reuters after obtaining leaked papers from the European Commission. The EU's own analysis shows that its target of increasing biofuel use to 10 percent of all road fuels by 2020, from less than three percent today, may lead to an indirect one-off release of around one billion tonnes of carbon dioxide - more than twice the annual emissions of Germany. Impact analysis predicts EU demand for biodiesel will collapse if their indirect impacts are taken into account in EU legislation. However, a sharp rise in demand for bioethanol from cereal crops and sugarcane is predicted, as well as for advanced biodiesel produced from algae.

The European Commission recognises seven voluntary sustainability schemes for biofuels. These schemes ensure biofuels are not produced in areas of high biodiversity or high carbon storage, such as forests or peatlands.

Revised international aviation fuel standards allow commercial airlines to blend conventional jet fuel with up to 50 per cent biofuels.

August

The EU Council debates energy use of biomass from agricultural origin. Many Member States argue that it is undesirable to obtain increasing quantities of biomass for energy purposes from distant locations (e.g. by imports from third party countries).

2011 Timeline for Biofuels

Timeline



An International Institute for Environment and Development (IIED) paper warns that demand for wood is set to outstrip supply by up to 600 per cent in some countries in the global North, leading investors to look to the global South to fill the gap. The concern is that this will lead to more land acquisitions in developing countries, with typically weak land rights and where food insecurity is on the increase. However, the IIED does suggest that well managed new tree plantations in these countries could provide benefits in terms of jobs, investment, climate change and conservation.

September

Neste Oil starts up Europe's largest renewable diesel plant in the Netherlands. The Rotterdam plant has a capacity of 800,000 t/a and will increase Neste Oil's total renewable diesel capacity to 2 million t/a. Utilising proprietary technology, the plant can make use of almost any vegetable oil or waste fat in the production of renewable diesel, offering the hope of bio-energy without indirect land use change.

October

A group of NGOs sue the European Commission for a lack of transparency on its biofuel policy, bringing a case to the European Court of Justice following the Commission's refusal to provide access to information in decisions relating to the sustainability of Europe's biofuels. The group wants access to information about the certification schemes the EC is considering as being compliant with its Renewable Energy Directive, so that civil society can participate in the process and strengthen the sustainability controls.

Thomson Airways launches the UK's first 'biofuel flight' with fuel supplied by SkyNRG, a Dutch-based company supported by an independent sustainability board. Thomson says that adopting sustainable biofuels will assist the UK government in reaching its target of reducing carbon emissions 50 per cent by 2025. However, NGO Friends of the Earth criticises the flight, claiming these oils are in short supply and unsustainable alternatives will inevitably end up being used when daily flights run on biofuels are launched in 2012.

November

Europe's first biomass exchange opens: a joint project between the Anglo-Dutch power and gas exchange APX-Endex and Europe's biggest port, Rotterdam. The exchange is Europe's first for trading wood pellets, which can be used to replace coal in electricity generation. The global wood pellet market is currently estimated to be 10 million tonnes and is expected to grow as much as six-fold by 2020.

December

At the Durban Climate talks, the Carbon War Room, Richard Branson's project to harness the power of entrepreneurs, and Elsevier, a publisher, launch a web site, www.renewablejetfuel.org to rank the top renewable jet fuel projects. Their aim is to provide investors and major purchasers with information on the scalability, economic viability and sustainability of aviation and other bioenergy related projects

2011 Timeline for Biofuels

Biofuels: Neither 'Good' nor 'Bad' – It All Depends



For many producers of biofuels, the big news of 2011 was the entry into operation of the European Union's Renewable Energy Directive (RED), with its target for biofuels of 10% of road transport fuel by 2020, and its minimal environmental requirements – (i) avoid land with high biodiversity and high carbon stocks such as forests, and ii) meet a greenhouse gas (GHG) saving requirement of 35% as compared with fossil fuels. Another milestone was the EU's recognition of seven non-governmental systems of certification as providing evidence of compliance with the RED sustainability standards, including the Roundtable on Sustainable Biofuels, whose criteria are more rigorous than those required by law. For others the important continuing story is that the concept of Indirect Land Use Change (ILUC) has grown in acceptance, instead of fading away, leaving policy makers scrambling to address this potential threat of deforestation.

In short, the sustainability questions surrounding biofuels are not going away. For a period, before 2008 or so, biofuels were often promoted as the 'green' solution: they would enhance national security, promote rural economic development and help the environment, especially by reducing GHG emissions – I called it a period of "irrational exuberance." But after 2008, a morass of controversy arose, including the "food vs fuel" allegations, and many experts now challenge whether biofuels can reduce GHG emissions at all. So perhaps the industry has entered a new phase of "irrational pessimism." But level heads understand that most biofuel types are not "good" or "bad" by category, it is the specific production method that matters. Many feedstocks could have good outcomes if they adhered to environmental and social safeguards, and if they enhance yields, or use land that is not needed for something else, or if they are made from wastes.

It has become clear that one type of biofuel policy cannot meet all the stated



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Board

objectives at the same time: for example, most small-holder crops, which are essential for community energy and job creation, are not produced on a large enough scale to allow for international trade; but massive production for export, usually relying on monocultures and intensive fertilizer inputs, needs good agricultural land, risks water pollution and may produce few jobs. The push back on the biofuels industry has proliferated almost as widely as the types of feedstocks and conversion technologies. Unfairly or not, major controversies are brewing over "land grabs" in developing countries; and maize-based biofuels have been blamed not only for downstream water pollution but also for food price spikes.

2011 Timeline for Biofuels

Voluntary Certification Systems and Legal Regulations



This is where voluntary certification systems and legal regulations come in; both can play a role.

In the last few years, several versions of safeguards have been developed to address the whole range of potential environmental and social impacts of biofuels. At least a dozen countries are considering, or have already put in place, sustainability regulations for biofuels. Meanwhile, forward thinking leaders in the industry are paying close attention to these issues. They have joined voluntary certification initiatives to promote best practices by producers and to reward excellence in the marketplace. The most credible standards are developed by a broad “multi-stakeholder” membership, through a transparent process of public consultation.

Some of the most important agricultural commodities which can be used for biofuels, such as soy, sugarcane and palm oil have developed their own sets of voluntary certification standards. The Roundtable on Sustainable Biofuels has developed a complete set of standards, including environmental and social safeguards, which are global in scope and apply to all feedstocks and biofuel types. The RSB, with over 130 member organizations in 40 countries, representing civil society groups and large and small industry, launched its certification system in 2011.

While many countries wrestle with how best to officially regulate biofuels production, the original purposes of voluntary certification systems for biofuels remain: to provide incentives for excellent production operations, and to aid investors and large purchasers to identify preferred products in the market place.



2011 Timeline for Palm Oil

Timeline



April

Avon becomes the first major cosmetics brand to commit to GreenPalm certificates to cover 100% of its palm use.

Golden Agri-Resources Ltd, a unit of the Sinar Mas Group, joins the Roundtable on Sustainable Palm Oil (RSPO), after coming under fire from NGOs in 2010 for not following sustainable plantation practices.

A team from the Malaysian Palm Oil Council (MPOC) appears before a public hearing of the Australian senate community affairs legislation committee to testify on the proposed Food Standards Amendment (Truth in Labelling Palm Oil) Bill 2010, which would require companies to label use of palm oil in products and promote certified palm oil. Considerable pressure is brought by Malaysia to ensure this proposal does not reach the statute book.

In the light of its failure to resolve local land disputes in Malaysia and concerns over plantation development, the RSPO suspends founder member IOI from achieving any new certification until the formal grievance process is concluded.

May

The Indonesian government reveals the long-awaited details of a two-year moratorium on new permits to clear primary forest, giving clarity to plantation and mining firms worried the ban will hit their expansion plans.

RSPO applies to the European Commission for formal recognition as a voluntary scheme under EU Renewable Energy Directive (EU-RED). At the time of writing, no formal response to the RSPO application has been received.

RSPO Certified Palm Oil now accounts for nine per cent of global supply, according to the RSPO Secretariat.

June

Cargill begins offering RSPO Certified Sustainable Palm Oil to North American food manufacturers, making it possible for companies in that region to meet their time-bound commitments to use certified oil.

A fire is found to be burning within a concession controlled by PT Menteng Jaya Sawit Perdana in Indonesian Borneo, turning up the heat on its parent company, the Malaysia based conglomerate Kuala Lumpur Kepong Berhad (KLK), which supplies 'sustainably-produced' palm oil to companies like Cargill and is already under investigation for breaching Indonesia's new moratorium on forest conversion, according to the Environmental Investigation Agency (EIA).

Claims are made by environmental NGOs that Indonesia's freshly inked two-year forest moratorium was breached on its first day, as a plantation company burns carbon-rich peatlands in Kalimantan.

Malaysia wins its case against Australia's proposed Truth in Labelling – Palm Oil Bill. The Community Affairs Legislative Committee of the Australian Senate in Canberra recommends that the Bill not be passed, removing another lever against those operating unsustainable businesses.

RSPO releases its new Trademark for Sustainable Palm Oil, which it is hoped will increase consumer recognition of sustainable palm oil and encourage consuming companies to buy certified stock.

Agribusiness giant Cargill makes a public commitment to offer only certified sustainable palm oil in select countries by 2015 and worldwide by 2020.

July

YUM! Brands, which operates 38,000 fast food restaurants in 110 countries (including KFC, Pizza Hut, Taco Bell, WingStreet, A&W and Long John Silver's), comes under fire from Greenpeace and other rainforest advocacy groups for sourcing palm oil without any commitments to the use of certified sources.

Indonesia is forging ahead with its own national certification scheme for responsible "green" palm oil, which aims to provide a level playing field for all companies operating in the country and promises to punish firms that do not adhere to environmental standards. The creation of a national Indonesian standard, which is anticipated to be less rigorous than the RSPO's own criteria, has, however, been welcomed by the RSPO as offering companies an initial stepping stone before progressing to the more internationally acceptable RSPO certification scheme. There are rumours that Malaysia, the world's No.2 palm oil producer, will also develop a national certification scheme to ensure that tropical oil is grown without clearing forests and destroying wildlife, further increasing the range of certifications available to international buyers.

2011 Timeline for Palm Oil

Timeline



August

U.S. firm Herakles Farm is planning a massive oil palm plantation in Cameroon that it says will benefit local villagers. Critics argue that the project would destroy some of the key remaining forests in the West African nation and threaten species-rich reserves.

September

The NGO Oxfam issues a report on the implications of land purchase in Africa, where investors and global agri-business companies are acquiring large areas of developing countries' land. Oxfam claims that 227m ha (561m acres) of land, largely in Africa, has been sold, leased or licensed in thousands of secretive deals since 2001. Sime Darby's joint venture partner PT MAS comes in for criticism, a dispute that continues to rumble on within the RSPO as well, but the company believes it has addressed these accusations in great depth already.

Royal Golden Eagle, the parent Indonesia-based conglomerate for APRIL is looking to raise \$200m for expansion, which raises challenges for the banking sector in assessing the risk of a company which has been so heavily criticised for land use conversion of natural forests to create 'industrial' or plantation forestry.

October

Bunge enters the palm oil sector in the face of deteriorating prospects for growth in its traditional vegetable oil markets.

November

PT Munte Waniq Jaya Perkasa forcibly evicts an indigenous community from one of the last tracts of rainforest near Jempang, East Kalimantan. In December, Indonesian NGO Telapak links stock in that company to Tian Siang Holdings (TSH), in which it claims the Norwegian Pension Fund - an organisation committed to zero deforestation - has invested. Telapak's report 'Caught REDD Handed' claims that there is a flow of funds from Norway to four groups of companies that operate another 24 subsidiary companies without adequate permissions in areas of Indonesia trying to trial REDD. The complexity of Indonesian corporate structures appears again to have entangled the unwitting, emphasising the need for in-depth due diligence from investors.

December

RSPO issues a Review of its Generic Principles and Criteria (P&C), the growing standards on which RSPO certification is based. In part this is a reflection of the increasing calls to incorporate GHG standards, the issues around new plantings and better guidance on peat land conversion into the P&C framework of RSPO. The requirement for consensus-based decision making, given recent conflict with Indonesian grower groups, makes this a particularly difficult challenge for the RSPO to navigate.

In Cancun, in December 2010, an agreement was reached under the UNFCCC on an international framework to reduce emissions from deforestation. REDD+, as this agreement is known, has catalysed global action to reduce emissions from deforestation in developing countries. Following on from this landmark decision, many tropical forest countries are now reviewing their regulatory frameworks to establish a more coherent and effective political framework for REDD+ implementation. As part of this reform process, the clarity and coherence of national policies and laws will be a key component of the success of measures to reduce emissions from deforestation.

Indonesia, with its vast forest reserves and growing agricultural industry, is at the forefront of REDD+ implementation. Yet Indonesia's forests are disappearing at an alarming rate: deforestation and peat degradation account for around 1.5 billion tonnes CO₂e per year, equivalent to 3.3% of global greenhouse gas emissions. In 2009, to address this issue, President Susilo Yudhoyono declared a national voluntary commitment to reduce Indonesia's greenhouse gas emissions by 26 - 41% by 2020, and then in May 2010, Indonesia and Norway signed a \$1 billion agreement to reduce emissions from deforestation and forest degradation. A year later, under the terms of this agreement, the Indonesian government has approved a two-year moratorium banning the issuance of new logging licences of primary forests and peat lands. As a result of this moratorium, businesses will not be allowed to secure new logging concessions in primary forests and peat lands but new licences for ecosystem restoration will be granted. While some aspects of the moratorium remain contested by environmental groups - mainly concerned that secondary, disturbed, and logged-over forests are excluded - a recent study has



Angela Almassy
Project Analyst



Charlie Parker
Head of Policy

suggested that the moratorium will incentivise businesses to improve efficiency of existing concessions and consider ecosystem restoration as an economically viable investment.

The Indonesian moratorium is one example among many in which governments - voluntarily or with international support - are reforming their regulatory frameworks to incentivise sustainable land use management. As more countries engage in REDD+ and become 'REDD ready' these reforms will become increasingly mainstream.

To help catalogue and share these developments, the REDD Countries Database has been developed to keep track of the diverse and rapidly evolving range of on-going REDD Readiness activities in tropical forest owning nations. Organised and aggregated by country, it summarises key information across a range of areas including policies, plans, statistics, activities and finance. To find out more visit www.theREDDdesk.org/countries.

This Year's Achievements

In January, the City of London hosted the launch of FFD's second Annual Review, showcasing the results of the 2010 cycle and presenting them to over 140 representatives from the corporate, financial and civil society arenas. Speakers at the event included Pierre Schereck, President & CEO of IDEAM, the SRI Skill Centre of Amundi, one of FFD's biggest endorsing investment institutions, managing assets in excess of \$900 billion. The event provided impetus for the third cycle of the project, launched in June.

Following nearly 2 years of success with the project, March saw Tracey Campbell step down as Director and FFD wishes to thank Tracey for her hard work during her tenure. James Hulse became the project's new Director in April, having previously worked in the financial markets for almost 20 years. In 2005, he was a co-founder of the Cumulus hedge fund, looking at weather and climate related themes including carbon credits, commodities and equities.

FFD aims to add value to its stakeholders above and beyond the Disclosure Request and subsequent feedback. In May we jointly hosted an event entitled 'Peak Soya?' with The Royal Society in London, bringing together some of the world's leading climate scientists with the corporate and finance sector. This high level meeting explored how current and potential future trends in South American climate, land use and policy could affect commodity supply chains in order to address the underlying question 'How can the corporate and financial sectors manage these risks and enter into a new dialogue with researchers at the forefront of thinking?' The event provoked some excellent discussion on the topic on which FFD will be following up in 2012.

Throughout the summer, FFD hosted a series of webinars on various commodity topics with expert speakers invited to present to a corporate audience and a Q&A panel to



Katie McCoy
Project Manager, FFD

follow. The webinars were a good forum for engagement with companies on the issues affecting their businesses and we will be running a second series of webinars in 2012.

This year, FFD became associate members of two important forums. The first was Ceres in the US, a non-profit coalition of investors, companies, environmental organisations and other public interest groups working to address sustainability challenges. James Hulse attended the Ceres conference in May, hosting an exhibition table to engage potential disclosers and investors with the aim of boosting the profile of the project among these groups in the USA. FFD also became an associate member of the RSPO and travelled to South East Asia in November to participate in the RSPO annual conference. FFD also visited Brazil again this year, strengthening our links with both NGOs and business groups in the country. FFD had further opportunities to engage relevant audiences throughout the year including FFD project manager Katie McCoy presenting at Chatham House in June on a panel addressing the role of agricultural commodities as part of an illegal logging stakeholder dialogue meeting.

FFD wishes to thank a number of people without whom the third cycle of this important project wouldn't have been possible: Liz Crosbie and her team at Strategic Environmental Consulting, Christoph Harwood and Jasmine Singh at Marksman Consulting and the team at National Wildlife Federation in the US, particularly Barbara Bramble, Nathalie Walker, Stacy Brown and Sabrina Patel. We hope the next three years of the FFD project will be as successful as the first.

The Forest Footprint Disclosure Project promotes the integration of risk management into mainstream corporate and investment practice by making commodity supply chain control part of overall sustainability strategy and public reporting of accounting for environmental externalities.

FFD's role is to explain the global context of commodities and land use change and then develop and communicate solutions. We do this in four steps. Firstly, we raise awareness of forest risk commodities and their role in global supply chains, across the key sectors. FFD's feedback process and research builds the internal business case for companies and the disclosure request helps them communicate it to investors. Secondly, FFD works with other disclosure projects to facilitate the integration of environmental impacts into global corporate reporting standards. Thirdly, the project supports certification schemes, civil society and companies to develop solutions to enable traceability and common metrics for the use of sustainable products. Finally, FFD helps companies to implement best practice by offering our disclosers a forum to collaborate with others, to learn and share knowledge of lowest cost solutions for transition to the use of fully sustainability materials. FFD is the only project engaging the private sector globally across the full value chain of the major agricultural commodities driving deforestation. We offer FFD as a focal point for NGO activity across these commodities and we are already collaborating with other initiatives on research and investor engagement projects. Together we are better placed to engage the private sector on increasing the resilience of supply chains and global food security, reducing deforestation drivers and sustaining human livelihoods, especially of forest-dependent and related rural communities likely to be worst affected by forest loss and climate change.

How does this work in practice? Our company reports focus primarily on qualitative



James Hulse
Director, Forest
Footprint Disclosure

outputs to show how the individual organisation stands in relation to their sector peers and compared to the overall FFD benchmark. However, as this area matures we need to move from policy and management to a physical measure of the footprints involved. FFD is calling on others to join us in developing metrics which will help corporates to quantify and reduce their impact and investors to include deforestation in their analysis of risk and investment value.

As well as our successes, there are challenges to the organisation. Establishing and maintaining our credibility and independence while developing collaborative relationships with companies, investor groups and other NGOs is crucial to our success. Our work is resource intensive which means we must secure sustainable funding streams, shifting over time from the current donor-based financing to more diverse and potentially enterprise-based income streams.

This project is part of the broader global move towards non-financial reporting. In order to accelerate progress, we are looking at ways to collaborate with the other disclosure projects to simplify the process of completion for companies and create more holistic analysis for investors to evaluate the environmental impacts of companies in their portfolios.

FFD's ultimate goal is of course to put ourselves out of business and close down the project, having overseen the integration of natural capital into corporate reporting and eliminated private sector drivers of deforestation. It may be many years before we can achieve that but until then we must continue to drive change. Already, in our third year of operation, we are seeing good examples of corporate behavioural change from some of the largest companies in the world, which the project has inspired. We hope to share that knowledge with many others as they engage, and to achieve much, much more over the coming years.



FFD Endorsers

FFD would like to thank the following financial institutions that have endorsed the project, each of whom has indicated their commitment to understanding deforestation risk in their potential investments and many of whom have been very supportive of FFD's activities over the past year.

- Active Earth Investment Management
- Amundi Group
- APG Asset Management
- AXA Investment Managers
- Arisaig Partners
- Aviva
- Bank Vontobel
- Benchmark Asset Managers, LLC
- Boston Common Asset Management, LLC
- Calvert Investments, Inc.
- The Children's Investment Fund Management (UK) LLP
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- Investec Asset Management
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- Local Government Super
- Mn Services
- The Nathan Cummings Foundation
- National Grid UK Pension Scheme
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- Santander Brasil Asset Management
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- SNS Asset Management
- Solaris Investment Management Limited
- Statewide Superannuation
- Storebrand
- Sustainable Development Capital LLP
- Threadneedle
- Trillium Asset Management Corporation
- Triodos Bank
- VicSuper
- Walden Asset Management, a division of Boston Trust & Investment Management Company
- Zevin Asset Management

If you represent an investment institution and would be interested in finding out more about how you can become a signatory to the project please contact Christoph Harwood (c.harwood@forestdisclosure.com).

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FFD Steering Committee

- Carbon Disclosure Project
- Department for International Development
- FTSE Company
- Global Canopy Programme
- Hermes Equity Ownership Services
- Marksman Consulting
- The Prince's Charities International Sustainability Unit
- Strategic Environmental Consulting
- UNEP Finance Initiative
- WWF-UK
- UN PRI (observer status)

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CARBON DISCLOSURE PROJECT



thewaterloofoundation*



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