



Press Release

Issue Date: 7th October 2009

HIGH PROFILE COMPANIES DECLARE THEIR COMMITMENT TO MANAGING THEIR FOREST FOOTPRINTS

Adidas, British Airways, Kingfisher and Sainsbury's are among the big name companies which have committed to submit their responses to a questionnaire sent to more than 200 companies by the Forest Footprint Disclosure (FFD) Project at the end of July.

The detailed questionnaire was targeted at Fortune 500 and FTSE 350 companies with high potential impacts on forests caused by the use of 'forest risk commodities' in their supply chains, such as palm oil, soya, timber, biofuels, beef and leather. It was designed by the FFD Project specifically to help companies identify how and where forest impact could be improved in their operations as well as aiding businesses to identify the key areas for consideration¹. The new initiative is endorsed by 26 asset manager companies with collective funds under management of US\$2.9 trillion who believe that unsustainable commodities could cause a future valuation risk to their investments².

The results of the questionnaire will provide a brand new environmental insight and will be made available to endorsing investors and will be summarized in an annual report, the first of which will be published in January 2010. The published report will identify those companies which have generated innovative strategies for managing their risk and those that have declined or ignored the FFD Project request to disclose their current forest footprint. After this baseline year a 'best in class' ranking will be developed for future editions'

more/...

By responding to the questionnaire Adidas, British Airways and Kingfisher have publicly supported the initiative, demonstrating a firm commitment to understanding and reducing their forest impacts.

Frank Henke, Global Director of Group Social & Environmental Affairs adidas Group said: “The forest footprint disclosure project offers the adidas Group a good tool to analyse and screen the company’s direct and indirect forest footprint in its global business operations. Our participation in this project will help guide internal efforts to create transparency in our supply chain”.

Speaking for British Airways, Patrick Spink, Environment Executive said: “Participation in the FFD project has enabled us to channel our efforts into a better understanding of our impact on deforestation. This means we can now proactively work towards developing a more sustainable supply chain. This is not simply about who is top of the class, this is an exercise to bring together knowledge, working practices and understanding from across UK and global commerce and to share this information to reduce the impact of global deforestation.

On behalf of Kingfisher Ray Baker, Director of Corporate Responsibility , said: “As a founding member FSC³ and of the one of the first retailers to receive full chain-of-custody certification⁴, Kingfisher/B&Q has pioneered retailer initiatives on sustainable timber since the 1990’s. Whilst Kingfisher has been recognised as leaders in socially responsible investment indices, there is still work to do to help investors understand the value of responsible procurement policies. We therefore welcome The Forest Footprint Disclosure Project as a tool capable of factoring in the long-term benefits of sustainability and supporting our efforts to improve”.

more/...

And Judith Batchelar, Director of Sainsbury's Brand, said "Good forestry management and the prevention of deforestation is a key component of Sainsbury's sourcing policies. We have always managed Sainsbury's forest footprint through working with suppliers and industry experts. We continually look for ways to improve how we respond to complex and evolving issues. That is why we welcome the work of the Forest Footprint Disclosure Project and appreciate this opportunity to demonstrate that we "Source with Integrity", one of Sainsbury's Corporate Responsibility values.

For more information on the FFD Project or to request a copy of the Global Forest Footprints Report visit www.forestdisclosure.com or contact Steven Ripley, Project Manager, on 01865 240090.

- ends -

Notes to Editors

The Forest Footprint Disclosure Project

The Forest Footprint Disclosure Project is the brainchild of the Global Canopy Programme, supported by DFID, the David and Lucille Packard Foundation, Esmée Fairbairn Foundation, the Rufford Maurice Laing Foundation and the Waterloo Foundation. It includes representatives of the Princes' Rainforests Project, UNEP Finance Initiative and the investment community on its Steering Committee.

¹ The FFD Project questionnaire requests information on company sourcing policy and management of operations. The original data from the responses will give a clear snapshot of how well the issues are understood by commercial operators and where the bottlenecks exist within the total supply chain.

² Deforestation driven by commercial activities can create a valuation risk for companies and investment portfolios in three key ways:

- Regulatory Risk: new regulations or incentive schemes threatening supply of commodities and increasing costs
- Environmental Risk: direct impacts on commodity yields from loss of natural forest services and changes in climate and rainfall patterns
- Reputation Risk: consumer awareness of the forest footprint leading to damaged reputations for poorly performing companies

³ FSC is an independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forests.

⁴ Chain-of-custody records the path wood products take from the forest to the final consumer. It includes all stages of manufacture, transportation and distribution.

For further information or to request images, please contact:

Sally Panter or Lauren Wyper at The Good Agency PR on 020 7738 1900

Email: sally.panter@thegoodagency.co.uk lauren.wyper@thegoodagency.co.uk