



## Press Release

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### **INVESTOR BACKED PROJECT CALLS ON BUSINESSES TO DISCLOSE THEIR 'FOREST FOOTPRINTS'**

The Forest Footprint Disclosure (FFD) Project is calling on high profile businesses across all sectors to disclose their 'forest footprints' with a questionnaire being sent to 150 companies in the Fortune Global 500 and FTSE 350 as well as 50 other companies with high potential impact on forests. Whilst the carbon footprint is now common language, the forest footprint is a new concept which represents the direct and indirect impacts of a business on the world's forests through the use of unsustainable agricultural commodities such as beef, soy, palm oil, timber and biofuels. Disclosure is the first step in enabling companies to identify how and where deforestation can be reduced and driven out of their operations<sup>1</sup>.

The questionnaire has been endorsed by investors with collective funds under management of US\$2.2 trillion who believe that unsustainable commodities are causing a valuation risk to their investments<sup>2</sup>. The complete results of the questionnaire will be made available to endorsing investors and summarised in an annual report, the first of which will be produced in January 2010. Companies identified in the report will be 'best in class', those that have identified innovative strategies for managing their risk, and those that declined the request to disclose their forest footprint.

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Said Andrew Mitchell, Chair of the FFD Project steering committee, “2009 is a big year for forests with imminent billion dollar funding mechanisms and new regulations likely to make deforestation an expensive pursuit for commodities companies. At the same time the public are starting to wake up to the fact that they are, in effect, ‘eating the forest’ through the everyday products they buy, so businesses are running the risk of losing the confidence of both their investors and their customers if they don’t act now.”

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<sup>3</sup>. For more information on the FFD Project or to request a copy of the Global Forest Footprints Report visit [www.forestdisclosure.com](http://www.forestdisclosure.com) or contact Steven Ripley, Project Manager, on 01865 240090.

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## Notes to Editors

<sup>1</sup> The FFD Project questionnaire requests information on company policy and management of operations.

<sup>2</sup> The full list of investors endorsing the FFD Project comprises: -

1. All Pensions Group
2. Aviva
3. Climate Change Capital
4. Crédit Agricole Asset Management Group (CAAM Group)
5. Dexia Asset Management
6. EBG (Environmental Business Group) Capital
7. Environment Agency Active Pension Fund
8. ETICA SGR
9. F&C Investments
10. Generation Investment Management
11. Hazel Capital
12. Hermes Equity Ownership Services
13. Rathbone Greenbank Investments
14. The Cooperative Asset Management
15. Threadneedle
16. Triodos Bank

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

<sup>3</sup> The organisations represented on the steering committee are: -

- Carbon Disclosure Project
- Fauna & Flora International
- The FTSE Company
- Global Canopy Programme
- Prince's Rainforests Project
- Strategic Environmental Consulting
- UK Department for International Development
- UNEP Finance Initiative

### **For further information or to request images, please contact:**

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