GFTN-UK FOREST PRODUCT REPORTING SUMMARY FOR 2017

Marks and Spencer (M&S) has been a member of WWF’s Global Forest & Trade Network (GFTN) in the UK since 2004. We are committed to only sourcing forest products from well-managed sources.

The European Timber Regulation aims to eliminate EU trade in illegal timber and asks internal operators to apply due diligence to ensure the exclusion of illegal timber from European market. M&S undertakes due diligence on all our wood products, irrespective of whether we are the operator or not, so we can be confident illegal and unwanted forest products do not enter the UK market from our supply chain. We collect and verify evidence provided by our suppliers and eliminate those supply chain sources which cannot give us the assurance we need.

To highlight our progress towards meeting our commitments to source well-managed and recycled materials, we publish the status of our current supply chain for various categories of forest goods as defined by the GFTN. We hope the transparency of the UK GFTN members about their forest sourcing performance will prompt others in the sector to follow suit.

At present, WWF and GFTN participants believe FSC represents the gold standard and a credible benchmark for other forest certification schemes to match. Our preference is to source only from credibly-certified forests or verified recycled sources. We work with stakeholders and forest certification systems to continuously improve their performance in delivering responsible forest management that benefits forests and communities.

M&S forest products reported for the 2016 calendar year are as follows:

- **72.2%** Credibly Certified (FSC purchased with Chain of Custody)
- **9.6%** Source Verified (including PEFC purchased with Chain of Custody)
- **6.2%** Pre-consumer Recycled
- **0.7%** Post-consumer Recycled

Scope of reporting

- Solid timber, composite, pulp and paper products for resale
- Product packaging (excluding transit packaging)
- Store build and refit (excluding International)
- Marketing materials
- Internal operations (excluding International)

In the past 7 years, our procurement of forest products has progressed as shown in the chart below.

### M&S YOY performance

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<th>Year</th>
<th>% Source Verified</th>
<th>% Credibly Certified</th>
<th>% Pre Consumer Recycled</th>
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### Challenges

- Availability of FSC certified material that meets our commercial and quality needs
- Broken FSC chain of custody within M&S supply chains
- Availability and cost of recycled materials
- Supply chain visibility and verification of evidence from a global supply base
- Ability to capture species and country of harvest data for composite products, particularly amalgamated materials and paper/board
- Changing market conditions resulting in reduced wood volume across business units with more ready access to credibly certified wood fibre (food packaging, marketing, construction).

### Priorities

- Collaborating with industry and other parties to encourage supply of FSC materials and products that meet M&S quality specifications within markets where availability is currently severely constrained
- Improving the capacity of internal colleagues, suppliers and sub-suppliers to meet EUTR and M&S requirements, particularly in relation to providing species and country of harvest information and other documented evidence
- Engaging with the European Commission to promote the role and value of certification as part of EUTR due diligence systems to support global sustainable forest management
- Advocating for an extension of the current EUTR product scope conditional upon practical and consistent implementation, and harmonised approaches, across Competent Authorities

August 2017