

The Kingfisher logo features the word "KINGFISHER" in a bold, black, sans-serif font. A stylized blue and yellow fish-like shape is positioned above the letter "F".

**6 April 2010 PRESS RELEASE:**

## **Leading retailers launch pro-regulation coalition to curb illegal logging**

A group of 4 leading European retailers have today launched the **Timber Retail Coalition (TRC)** to support measures to curb illegally harvested timber. Kingfisher, Marks & Spencer, IKEA and Carrefour Group, all members of the European Retail Round Table, are the founding members. The TRC is committed to tackling global deforestation linked to climate change. By providing a single platform for engaging with politicians and policymakers at national and EU levels, the TRC will significantly enhance this effort.

The TRC supports the European Commission's efforts to create EU-wide regulation as a crucial step towards the widespread adoption of responsible timber sourcing practices. Responsible procurement, supported by workable and effective EU regulation, will send a clear message that illegally harvested timber is not acceptable. The TRC calls for workable regulation based on a due diligence approach, building on voluntary measures to which its members have long been committed. This will help to create a level playing field, which currently does not exist as the illegally logged timber products industry still has easy access to the EU marketplace.

**Ian Cheshire, Group CEO, Kingfisher plc,** said: *"Kingfisher is proud to have pioneered retailer initiatives on sustainable timber, led by B&Q UK's efforts as a founding member of the Forest Stewardship Council. The TRC's ultimate aim is to provide our customers with the reassurance that every single wood product they buy has been ethically sourced. We now need Brussels to take the action necessary to achieve this, by regulating against imports of illegal timber to the EU."*

**Mikael Ohlsson, CEO & President, IKEA Group,** said: *"Wood is one of the most important raw materials for IKEA. It is an excellent choice from an environmental point of view, provided it comes from responsibly managed forests. We have worked for almost ten years to curb illegal logging, increasing the share of wood coming from responsibly managed forests. It is now important that decision makers take their responsibility, and act to introduce strong and efficient legislation without creating hindrance to trade or unnecessary administrative burdens."*

**Lars Olofsson, CEO and Board member, Carrefour Group,** said: *"As a leading retailer, we must set an example. Since 1998, Carrefour has been committed to promoting responsible forest management with WWF through its sourcing of timber products and paper for its commercial publications. Most recently we have announced the launch of 100 million packaging certified by one of the most renowned and credible forest management systems – FSC. We are keen to share this experience in setting a pragmatic and workable EU regulation that tackles illegal logging."*

**Sir Stuart Rose, Chairman, Marks & Spencer,** said: *"Under Plan A, our eco and ethical plan, M&S is committed to sourcing key raw materials such as wood, from the most sustainable"*



resources available to us. Whilst we and our fellow TRC members are committed to responsible procurement, a lack of regulation means illegally harvested timber products can still enter the European market. Working together, the TRC aims to send out a clear message that this is not acceptable."

**ENDS, Notes to Editors follow...**

***For further information please contact Paul Skehan, Director,  
European Retail Round Table at +32 (475) 388415 or at [pskehan@errt.org](mailto:pskehan@errt.org)***



## Notes to Editors:

### 1. The Issue:

- Rainforests absorb almost a fifth of the world's man-made CO<sub>2</sub> emissions every year.
- According to the Stern Review, deforestation accounts for 18% of global greenhouse gas emissions.
- The scale of illegal logging is difficult to estimate, but it is believed that more than half of all logging activities in the most vulnerable forest regions may be conducted illegally.
- Worldwide, estimates suggest that illegal activities may account for over a tenth of the total global timber trade, representing products worth at least €11bn a year.
- The European Parliament currently debates the issue at second reading: Regulation laying down the obligations of operators who place timber and timber products on the market, COM(2008) 644/3.

### 2. The Retailers:

- **Kingfisher plc** is Europe's leading home improvement retail group and the third largest in the world. Its European brands are B&Q, Screwfix, Castorama and Brico Depot. [www.kingfisher.com](http://www.kingfisher.com)
  - All of Kingfisher's Operating Companies have delisted products from vendors which cannot show a good level of visibility back to a legal, sustainable source.
  - Kingfisher has a group-wide target that 75% of all the timber it sells should be from sustainably managed forests – current performance is 72%.
  - B&Q UK was an early pioneer in sustainable timber sourcing and has led the way in driving up standards for over fifteen years.
  - Currently 84.2% of all B&Q's timber and timber derived products sold by the chain are compliant with its policy of buying only from sources independently verified as being legal and sustainable.
  - B&Q also has a full chain of custody covering all of their stores, tracing the timber's progress from the point at which it was extracted right through to its appearance on the shelf.
- **IKEA:** There are 301 IKEA stores in 37 countries/territories.
  - Wood is one of the most important raw materials for IKEA.
  - IKEA does not accept illegally felled wood or wood from intact natural forests. This is one of the basic conditions that IKEA imposes on suppliers of solid wood. Suppliers must be able to document the origin of their wood.
  - IKEA has its own forest specialists who work in the field, close to both suppliers and forests. Their most important task is to promote development towards more responsibly managed forests by spreading information and knowledge.



- IKEA forest specialists work every day to increase understanding of the requirements IKEA has and ensure that these are met. They also trace batches of timber all the way back to their origins to check that they come from the forests the suppliers have stated.
  - IKEA's long term goal is to source all wood for IKEA products from forests certified as responsibly managed. At present, the Forest Stewardship Council (FSC) is the only forest certification standard supported by IKEA.
- **Carrefour Group:** With more than 15,500 stores under banner in 32 countries and 475,000 employees, the Carrefour Group is the first retailer in Europe and the second largest worldwide. For over forty years, Carrefour has been a partner in the day-to-day lives of more than twenty million customers in Europe, Asia and Latin America.
    - The Group, through its activities, has an economic, social and environmental responsibility and commits to the quality of its products and the security of its customers.
    - Carrefour offers more than 70 FSC-labelled products, with all of its garden furniture range being certified FSC (Amburana and Eucalyptus) or in a process working towards certification (Acacia – not listed as endangered by IUCN).
    - In 2010, Carrefour is on target to meet its objective of using only recycled or certified fibre for its 200,000 + tonnes of paper catalogues in Europe and has also just announced the annual deployment of over 100 million FSC-certified beverage cartons.
- **Marks & Spencer (M&S)** is the UK's leading retailer of quality clothing food and home products.
    - Under its eco and ethical plan, Plan A, it is committed to making sure all the wood it uses is Forest Stewardship Council (FSC) certified, recycled or in a category which otherwise protects forests and communities.
    - As at 2009, M&S use 100% FSC or recycled wood materials in its store décor, magazines and leaflets; 93% in greetings cards stationery and gifts; and 92% in kitchen rolls, tissues and toilet rolls.
    - In the next year, it aims to continue to improve its sustainable wood sourcing.
    - M&S is working with Rainforest Alliance to help us increase usage of FSC and recycled materials.

### 3. The Timber Retail Coalition position:

*The TRC supports the proposal to put obligations on operators placing timber and timber products on the market, provided the proposal is based on a 'due diligence' and risk management approach which is in line with voluntary, market-based measures already implemented by serious actors.*

For the second reading in the European Parliament, the TRC offers the following comments:

1. **The concept of prohibition** is too important to be considered without further clarification of what is required in order for operators to show legal status of timber products. Of course, it



must be possible to punish operators that knowingly place illegally logged timber or timber products on the market. We would therefore support the introduction of a prohibition provided the text clarifies that the burden of proof will lie on the entity that lays charges and if the text demonstrates unequivocally that the regulation will not take away or supersede the principals of the due diligence approach.

2. The value of **existing, credible forest certification systems** (e.g. FSC, PEFC) must be acknowledged. We suggest that such certified material be included in the list of exemptions along with CITES and FLEGT licensed material.
3. The definition of **'applicable legislation'** must be clear. Wood is an excellent material from both a functional as well as an environmental point of view, provided it comes from responsibly managed forests. While the need to combat illegal logging is recognized, wood as a material should not be penalized by including applicable legislation that is not specific for forestry, for example labour laws, etc. Such requirements would be very difficult to interpret and control as the practicalities of acquiring proof of compliance with these laws through an extended supply chain will make the regulation unimplementable. The regulation must avoid affecting the competitiveness of timber compared to other materials or creating an imbalance with definitions in similar legislation, e.g. the US Lacey Act .
4. **Extension of responsibilities and obligations:** In principle, the distinction between 'due diligence' and 'due care' and the idea that all operators in the supply chain contribute to reducing the risk of the occurrence of illegally harvested timber and timber products on the market are appropriate. However, any relevant amendments relating to enforcement and penalties need to be consistent and clear. This differentiation is essential to motivate vigilance and to ensure its effective implementation, as well as to avoid any undue shift of responsibility.
5. A requirement to **label** timber products, including the name of the supplier, species and country of harvest, has been proposed. This would result in long lists of countries and incomprehensible Latin names of wood species, since modern woodworking industries source globally and frequently combine multiple wood components and composite materials (e.g. glueboard, layer glued and fibre board) into articles. We do not believe the proposed information will contribute to the aim of the regulation and, for complex articles, we believe it will confuse rather than clarify.
6. **Recovered/recycled materials** should be exempt from the regulation in order to encourage and not hinder the efficient use of wood as a material. It is unnecessary and challenging, if not impossible, to ascertain where the timber from a reclaimed 30 year old building may have originated.