**SPOTT Natural Rubber: Indicator framework**

**Consultation on the new indicator framework – June 2019**

Developed by the Zoological Society of London (ZSL), SPOTT (Sustainability Policy Transparency Toolkit) is a free, online platform promoting transparency and accountability to drive implementation of environmental and social best practice for the sustainable production and trade of global commodities.

Launched in 2014, SPOTT has published regular transparency assessments scoring some of the largest palm oil producers and traders on the public availability of corporate information relating to environmental, social and governance (ESG) issues. In 2017 SPOTT expanded to assess timber and pulp companies and in 2019 will start assessing natural rubber producers and processors.

The foundation of [SPOTT](https://www.spott.org/) assessments is the indicator framework used to assess company disclosures, policies, commitments, and evidence of progress reported publicly by commodity producers, processors and traders.

To perform effectively the SPOTT indicator framework must cover key environmental, social and governance (ESG) issues associated with the natural rubber sector; be applicable across a range of country contexts; and meet the needs of SPOTT’s principal user groups.[[1]](#footnote-1)

ZSL developed the SPOTT natural rubber indicator framework based on the existing palm oil and timber and pulp frameworks. These frameworks were developed following extensive consultation with stakeholders including [Technical Advisory Groups](https://www.spott.org/about/technical-advisors/), producers, trade bodies, finance and buying company representatives, NGOs, and other industry experts. The SPOTT indicator framework also reflects and complements the expectations set out in other frameworks and guidelines for sustainable production, such as FSC, GPSNR, CCCMC, GRI and UNGC.

Companies do not report directly to ZSL to inform their SPOTT assessments. Rather, ZSL conducts a thorough review of publicly available reports and publications before contacting the companies to comment on their draft assessments. The indicator framework guides the SPOTT team when undertaking assessments of company transparency. The purpose of the indicator framework is two-fold:

1. To ensure a fair, consistent and transparent approach to assessing all companies on SPOTT
2. To provide guidance on what environmental, social and governance data companies should publish.

The 2019 SPOTT natural rubber indicator framework will be used to assess 15 significant natural rubber producer and processor companies beginning in August. We are now consulting on the new indicator framework.

**Key changes to the SPOTT methodology in 2019**

We recognise that companies are at different stages of their sustainability journey and we want to allow SPOTT users to better understand where companies currently are and how they are progressing. This includes categorising indicators across three categories: 1 - disclosure of operational information (e.g. total landbank, location of mills); 2 - policies and commitments; and 3 - progress against company commitments and displaying company scores across each of these categories.

The revised SPOTT indicator framework also places much more emphasis on assessing progress against individual company commitments, differentiating between three levels of progress reporting: self-reported progress, externally verified progress, and progress verified through certification. Within these new progress indicators, we place higher weight on third-party verified information but still reward companies for self-reported progress.

**Guidance on this consultation**

Consultees are invited to review the 2019 SPOTT natural rubber indicator framework (see [separate Excel file](https://www.spott.org/download/7598/)) and provide feedback on the **four consultation questions** set out in the below table. The Excel version of the indicator framework also provides space for consultees to provide **feedback on specific indicators**.

We would also be very happy to hold 1-1 calls to receive feedback.

Information provided will support final revisions to the 2019 SPOTT natural rubber indicator framework. The deadline for providing feedback is **Friday 12th July**, with the next round of assessments beginning in August.

Results of the inaugural SPOTT natural rubber assessments will be published in November 2019.

**Consultation questions**

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| 1. **Are there any key environmental, social, or governance issues missing from the indicator framework?** |
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| 1. **Does the new approach to assessing progress provide an accurate measure of how companies are progressing against their commitments? If not, how would you improve the approach?** |
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| 1. **Do you consider the indicator framework to be realistic? – e.g. on-the-ground realities** |
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| 1. **Would you like to make any further suggestions regarding the SPOTT indicator framework?** |
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1. SPOTT’s key users are the financial sector (institutional investors, asset managers, banks), buying companies, NGOs, and other wider stakeholders interested in improving environmental and social best practices in the palm oil, timber and pulp, and natural rubber sectors. The information generated by SPOTT is also used by companies to improve their policies and disclosures. [↑](#footnote-ref-1)