

# Sumitomo Forestry

Total score:

48.1%

Latest update: July 2020

Next scheduled: July 2021

## About this company:

Incorporated in 1948, Sumitomo Forestry is headquartered in Japan and owns forestry operations in Japan, Indonesia, Papua New Guinea and New Zealand. The company is involved in timber production and processing as well as the manufacturing, trading and distribution of a variety of products including building materials, plywood, particle board and musical instruments.

## Parent company:

Sumitomo Corporation

## Landbank

261,014 hectares

## Market cap:

2,310,091,806 USD

## Thomson Reuters ticker:

1911.T

## Bloomberg ticker:

1911:JP

## ISIN:

JP3409800004

## Activities:

Timber production; Timber processing and manufacturing; Trading and distribution

## Locations:

Japan, Indonesia, Papua New Guinea, New Zealand

## Headquarters:

Japan

## Website:

[http://sfc.jp/english/Latest annual report \(2019\) | Sustainability report \(2019\)](http://sfc.jp/english/Latest%20annual%20report%20(2019)%20|%20Sustainability%20report%20(2019))

|               |                    |              |
|---------------|--------------------|--------------|
| <b>Total:</b> | <b>78.93 / 164</b> | <b>48.1%</b> |
|---------------|--------------------|--------------|



## > Sustainability policy and leadership

10.5 / 12 87.5%

1 media report



|  |   |       |                        |
|--|---|-------|------------------------|
| <input checked="" type="checkbox"/> 1. Sustainable forestry policy or commitment for all its operations?   | ✓ | 1 / 1 | <a href="#">Source</a> |
| <input checked="" type="checkbox"/> 2. Sustainable forestry policy or commitment applies to all suppliers?   | ✓ | 1 / 1 | <a href="#">Source</a> |
| <input checked="" type="checkbox"/> 3. High-level position of responsibility for sustainability?<br>Group Environmental Management Officer.  | ✓ | 1 / 1 | <a href="#">Source</a> |
| <input checked="" type="checkbox"/> 4. One or more members within the board of the company have responsibility for sustainability?<br>1 - Mr. Akira Ichikawa (President and Representative Director) is the chairperson of the company's sustainability committee. | ✓ | 1 / 1 | <a href="#">Source</a> |
| <input checked="" type="checkbox"/> 5. Percentage or number of women in senior management team?<br>1 - The company reports one female among a total of 20 executive officers. Percentage figure is not directly reported. Data as of 2019.                         | ✓ | 1 / 1 | <a href="#">Source</a> |

|   |         |                        |
|---|---------|------------------------|
| ✓   | 1 / 1   | <a href="#">Source</a> |
| <p><b>6. Percentage or number of women board members?</b><br/>         1 - The company reports one female among a total of 10 directors. Percentage figure is not directly reported. Data as of 2019.</p>   |         |                        |
| ✓   | 1 / 1   | <a href="#">Source</a> |
| <p><b>7. Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with timber and pulp production?</b><br/>         UNGC, WBCSD.</p>  |         |                        |
| ✓   | 1 / 1   | <a href="#">Source</a> |
| <p><b>8. Collaboration with stakeholders to reduce negative environmental or social outcomes associated with timber and pulp production?</b><br/>         The company is involved in a partnership with the Tokyo Metropolitan Government and cooperates with some local NGOs and companies on biodiversity conservation.</p> |         |                        |
| ✓   | 1 / 1   | <a href="#">Source</a> |
| <p><b>9. Sustainability report published within last two years?</b></p>   |         |                        |
| ✓   | 1 / 1   | <a href="#">Source</a> |
| <p><b>10. Reports through standardised reporting systems?</b><br/>         The report has been prepared in accordance with GRI standards and has been published on GRI database. Also according to CDP, the company has submitted the Forest Report for the year 2019 and 2020.</p>   |         |                        |
| ✗   | 0 / 1   |                        |
| <p><b>11. Climate risks assessment available?</b></p>   |         |                        |
| P   | 0.5 / 1 | <a href="#">Source</a> |
| <p><b>12. Natural capital assessment available?</b><br/>         The company has identified dependencies on natural capital, but has not set actions.</p>   |         |                        |



> Landbank, maps and traceability

9.75 / 23 42.4%

⚠ 3 media reports



|  |         |                        |
|--|---------|------------------------|
| ✓  | 1 / 1   | <a href="#">Source</a> |
| <p><b>13. Lists countries and operations?</b></p>  |         |                        |
| ✗  | 0 / 1   |                        |
| <p><b>14. Lists countries sourcing from?</b></p>   |         |                        |
| P  | 0.5 / 1 | <a href="#">Source</a> |
| <p><b>15. Total area of natural forest designated for wood/wood fibre production (ha)?</b><br/>         20,879 - The company does not directly report an overall figure for all of its natural forests. Figure complicated to calculate on the basis of information provided by the company.</p> |         |                        |
| P  | 0.5 / 1 | <a href="#">Source</a> |
| <p><b>16. Total area of forest plantation (ha)?</b><br/>         240,135 - The company does not directly report an overall figure for all of its plantation areas. The figure is calculated using a graph and a table.</p>   |         |                        |

|   |   |          |                        |
|---|---|----------|------------------------|
|   | ✓ | 1 / 1    | <a href="#">Source</a> |
| <p><b>17. Area of plantation/natural forest within outgrower schemes (ha)?</b><br/> 5,098 - Figure represents area of Koperasi Serba Usaha Alas Mandiri KTI (1,005 ha), Koperasi Bromo Mandiri KTI (460 ha) and other reforestation areas (3,633 ha) in Indonesia.</p>  |   |          |                        |
| <p><b>18. Unplanted (areas designated for future development as plantation forest) (ha)?</b></p>  | ✗ | 0 / 1    |                        |
| <p><b>19. Conservation set-aside area, including HCV area (ha)?</b><br/> The company states that protected areas cover 20% of its land, but it is unclear if this covers its land in all countries of operation.</p>  | P | 0.5 / 1  | <a href="#">Source</a> |
| <p><b>20. Area of Intact Forest Landscape (ha)?</b></p>   | ✗ | 0 / 1    |                        |
| <p><b>21. Number of Forest Management Units (FMUs)?</b></p>   | ✗ | 0 / 1    |                        |
| <p><b>22. Maps of forest management units (FMUs)?</b><br/> Only one of the company's FMUs (PT. Mayangkara Tanaman Industri ) could be found on Global Forest Watch.</p>   | P | 0.5 / 1  | <a href="#">Source</a> |
| <p><b>23. Forest management plans available for all FMUs?</b></p>   | ✗ | 0 / 1    |                        |
| <p><b>24. Monitoring of forest management plan implementation available?</b><br/> [Externally verified] Points for external verification have been awarded on the basis of the company's FSC/PEFC-certification. As the requirements of these certifications do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator.</p> | P | 0.75 / 1 | <a href="#">Source</a> |
| <p><b>25. Company has provided valid legal documents to Open Timber Portal on use right (at the time of SPOTT assessments)?</b><br/> This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.</p>  |   |          |                        |
| <p><b>26. Company has provided valid legal documents to Open Timber Portal on forest management (at the time of SPOTT assessments)?</b><br/> This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.</p>  |   |          |                        |
| <p><b>27. Company has provided valid legal documents to Open Timber Portal on timber harvesting (at the time of SPOTT assessments)?</b><br/> This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.</p>  |   |          |                        |
| <p><b>28. Names and locations of all third-party supplying FMUs?</b></p>  | ✗ | 0 / 1    |                        |
| <p><b>29. Number of company owned sawmills?</b></p>   | ✓ | 1 / 1    | <a href="#">Source</a> |
| <p><b>30. Names and locations of company owned sawmills?</b></p>  | ✓ | 1 / 1    | <a href="#">Source</a> |

|  |   |                              |
|--|---|------------------------------|
| <p><input type="checkbox"/> <b>31. Number of company-owned pulp and paper mills?</b><br/>This indicator is disabled as the company reports that it doesn't own pulp or paper mills.</p>  |   |                              |
| <p><input type="checkbox"/> <b>32. Names and locations of company-owned pulp and paper mills?</b><br/>This indicator is disabled as the company reports that it doesn't own pulp or paper mills.</p>   |   |                              |
| <p><input type="checkbox"/> <b>33. Reports total volumes (or percentages) sourced by company-owned sawmills that come from company's own operations and/or third-parties?</b></p>  | ✘ | 0 / 1                        |
| <p><input type="checkbox"/> <b>34. Reports total volumes (or percentages) sourced by company-owned pulp and paper mills that come from company's own operations and/or third-parties?</b><br/>This indicator is disabled as the company reports that it doesn't own pulp or paper mills.</p> |   |                              |
| <p><input type="checkbox"/> <b>35. Number of third party supplying mills?</b></p>  | ✘ | 0 / 1                        |
| <p><input type="checkbox"/> <b>36. Names and locations of all third party supplying mills?</b></p>   | ✘ | 0 / 1                        |
| <p><input type="checkbox"/> <b>37. Reports total volume (or percentages) sourced from third-party supplying mills that come from the supplying mills' own operations and/or third parties?</b></p>   | ✘ | 0 / 1                        |
| <p><input checked="" type="checkbox"/> <b>38. Procedures to trace raw materials to country of harvest?</b><br/>The company has a due diligence system that enables raw materials to be traced back to origin.</p>  | ✔ | 1 / 1 <a href="#">Source</a> |
| <p><input checked="" type="checkbox"/> <b>39. Percentage of supply traceable to country of harvest?</b><br/>100 - The company states that all suppliers were assessed in 2018 by the due diligence system which provides traceability to country of harvest.</p>                             | ✔ | 1 / 1 <a href="#">Source</a> |
| <p><input checked="" type="checkbox"/> <b>40. Procedures to trace raw materials to FMU level?</b><br/>The company has a due diligence system that enables raw materials to be traced back to origin.</p>   | ✔ | 1 / 1 <a href="#">Source</a> |
| <p><input checked="" type="checkbox"/> <b>41. Percentage of supply traceable to FMU level?</b></p>   | ✘ | 0 / 1                        |



> Certification standards

122 / 9 13.5%

2 media reports



✘ 0 / 1 [Source](#)

**42. Time-bound plan for achieving 100% third-party legality verification of FMUs or achieved?**  
The company mentions 100% SGEC (Sustainable Green Ecosystem Council) certification of its approximately 48,800 ha forest in Japan. However, no time-bound plan for overseas plantation could be found for the same.

|   |   |          |                        |
|---|---|----------|------------------------|
| <p><b>43. Percentage area (ha) verified as being in legal compliance by a third party?</b><br/>79.57% - Sum of operations SGEC, FSC FM/COC, CW/FM and PHPL certified.</p>   | P | 0.8 / 1  | <a href="#">Source</a> |
| <p><b>44. Time-bound plan to source only wood/wood fibre that is in legal compliance verified by a third party?</b></p>   | ✗ | 0 / 1    |                        |
| <p><b>45. Percentage of all wood/wood fibre supply traded/processed verified as being in legal compliance by a third party?</b></p>   | ✗ | 0 / 1    |                        |
| <p><b>46. Percentage area (ha) FSC FM certified?</b><br/>20.7% - The company reports 19,920 ha under Open Bay Timber (OBT) company in PNG, 36,200 ha under Tasman Pine Forest (TPF) in New Zealand, 1,005 ha under KAM KTI and 460 ha under KBM KTI as FSC-certified areas.</p>                                   | P | 0.21 / 1 | <a href="#">Source</a> |
| <p><b>47. Time-bound plan for achieving 100% FSC FM certification of FMUs or achieved 100% FSC-certification of FMUs?</b></p>   | ✗ | 0 / 1    |                        |
| <p><b>48. Percentage of wood/wood fibre supply (tonnes) from all suppliers that comes from FSC FM certified areas?</b></p>  | ✗ | 0 / 1    |                        |
| <p><b>49. Commitment to source only wood/wood fibre that meets FSC Controlled Wood and/or PEFC Controversial Sources requirements?</b></p>  | ✗ | 0 / 1    |                        |
| <p><b>50. Percentage area (ha) PEFC certified (excluding FSC certified area)?</b><br/>47,736 (21.5%) - SGEC certified area of company-owned forests in Japan. Percentage calculation excludes the company's land that is FSC-certified and land in PNG where currently no PEFC-endorsed certification exists.</p> | P | 0.22 / 1 | <a href="#">Source</a> |



## > Deforestation and biodiversity

11.94 / 22 54.3%

7 media reports



|  |   |       |                        |
|--|---|-------|------------------------|
| <p><b>51. Commitment to zero deforestation or zero conversion of natural ecosystems?</b><br/>The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.</p>  | ✓ | 1 / 1 | <a href="#">Source</a> |
| <p><b>52. Commitment to zero deforestation or zero conversion of natural ecosystems applies to all suppliers?</b><br/>The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004) and the PEFC International Chain of Custody Standard (PEFC ST 2002:2013). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership and PEFC CoC certification.</p> | ✓ | 1 / 1 | <a href="#">Source</a> |
| <p><b>53. Criteria for defining deforestation?</b><br/>The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.</p>  | ✓ | 1 / 1 | <a href="#">Source</a> |
| <p><b>54. Evidence of monitoring deforestation?</b></p>  |   |       |                        |

|   |        |  |
|---|--------|--|
|   | ✘      | 0 / 1                                    |
| ■ 55. Amount of illegal/non-compliant deforestation recorded?   | ✘      | 0 / 1                                    |
| ■ 56. Amount of illegal//non-compliant deforestation recorded in supplier operations?   | ✘      | 0 / 1                                    |
| ■ 57. Commitment to restoration of non-compliant deforestation/conversion?  | ✘      | 0 / 1                                    |
| ■ 58. Commitment to restoration of non-compliant deforestation/conversion applies to all suppliers?   | ✘      | 0 / 1                                    |
| ■ 59. Implementing a landscape or jurisdictional level approach?<br>[Externally verified] Points for external verification have been awarded on the basis of the company's FSC/PEFC-certification. As the requirements of these certifications do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator.   | P      | 0.75 / 1 <a href="#">Source</a>          |
| ■ 60. Commitment to biodiversity conservation?  | ✓      | 1 / 1 <a href="#">Source</a>             |
| ■ 61. Commitment to biodiversity conservation applies to all suppliers?   | ✓      | 1 / 1 <a href="#">Source</a>             |
| ■ 62. Identified species of conservation concern, referencing international or national system of species classification?<br>[Externally verified] The company has identified species of conservation concern referring to the Red Data Book which lists species designated endangered at the national or regional level. Points for external verification have been awarded on the basis of the company's FSC/PEFC-certification. As the requirements of these certifications do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator. | P      | 0.75 / 1 <a href="#">Source</a>          |
| ■ 63. Examples of species and/or habitat conservation management?<br>Points for external verification have been awarded on the basis of the company's FSC/PEFC-certified landbank.  | ✓<br>+ | 1 / 1 <a href="#">Source</a><br>0.22 / 1 |
| ■ 64. Commitment to no hunting or only sustainable hunting of species?  | ✘      | 0 / 1                                    |
| ■ 65. Commitment to no hunting or only sustainable hunting of species applies to all suppliers?   | ✘      | 0 / 1                                    |
| ■ 66. Commitment to protect forest areas from illegal activities?<br>The company has a commitment to prevent illegal logging. A broader commitment to protect forest areas from illegal activities could not be identified.   | P      | 0.5 / 1 <a href="#">Source</a>           |
| ■ 67. Commitment to protect forest areas from illegal activities applies to all suppliers?<br>The company has a commitment to prevent illegal logging for its suppliers. A broader commitment to protect forest areas from illegal activities could not be identified.  | P      | 0.5 / 1 <a href="#">Source</a>           |
| ■ 68. Evidence of protecting forest areas from illegal activities?  | ✓<br>+ | 1 / 1<br>0.22 / 1                        |

Points for external verification have been awarded on the basis of the company's FSC/PEFC-certified landbank.

✓ 1 / 1 [Source](#)  
**69. Commitment to no use of genetically modified organisms?**

The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.

✓ 1 / 1 [Source](#)  
**70. Commitment to no use of genetically modified organisms applies to all suppliers?**

The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004) and the PEFC International Chain of Custody Standard (PEFC ST 2002:2013). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership and PEFC CoC certification.



> **HCV, HCS and impact assessments**

2 / 10 20%

⚠ 1 media report



✓ 1 / 1 [Source](#)  
**71. Commitment to conduct High Conservation Value (HCV) assessments?**

The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.

✓ 1 / 1 [Source](#)  
**72. Commitment to conduct High Conservation Value (HCV) assessments applies to all suppliers?**

The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.

✗ 0 / 1 [Source](#)  
**73. High Conservation Value (HCV) assessments available?**

✗ 0 / 1  
**74. High Conservation Value (HCV) management and monitoring plans available?**

✗ 0 / 1  
**75. Commitment to the High Carbon Stock (HCS) Approach?**

✗ 0 / 1  
**76. Commitment to the High Carbon Stock (HCS) Approach applies to all suppliers?**

✗ 0 / 1  
**77. High Carbon Stock (HCS) assessments available?**

✗ 0 / 1  
**78. Commitment to conduct social and environmental impact assessments (SEIAs)?**

✗ 0 / 1  
**79. Commitment to conduct social and environmental impact assessments (SEIAs) applies to all suppliers?**

✗ 0 / 1  
**80. Social and environmental impact assessments (SEIAs) available, and associated management and monitoring plans?**

**81. Company has provided valid legal documents to Open Timber Portal on impact assessments (at the time of SPOTT assessments)?**

This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.



> Soils, fire and GHGs

589 / 23 25.6%

3 media reports



|  |        |   |
|--|--------|---|
| <b>82. Commitment to no planting on peat of any depth?</b>   | ✗      | 0 / 1                                       |
| <b>83. Commitment to no planting on peat of any depth applies to all suppliers?</b>  | ✗      | 0 / 1                                       |
| <b>84. Landbank or planted area on peat (ha)?</b>  | ✗      | 0 / 1                                       |
| <b>85. Implementation of commitment to no planting on peat of any depth?</b>   | ✗      | 0 / 1                                       |
| <b>86. Commitment to best management practices for soils and peat?</b>   | P      | 0.5 / 1 <a href="#">Source</a>              |
| <b>87. Commitment to best management practices for soils and peat applies to all suppliers?</b>  | ✗      | 0 / 1                                       |
| <b>88. Evidence of best management practices for soils and peat?</b><br>The company states about Conservation of Peat Swamp Forests where it conducts detailed measurements and surveys and also conducted a project for Soil Purification Technology and Environmental Remediation Aided by Plants. | P<br>+ | 0.75 / 1 <a href="#">Source</a><br>0.21 / 1 |
| <b>89. Commitment to reduced impact logging?</b>   | ✗      | 0 / 1                                       |
| <b>90. Commitment to reduced impact logging applies to all suppliers?</b>  | ✗      | 0 / 1                                       |
| <b>91. Evidence of implementing reduced impact logging practices?</b><br>Points for external verification have been awarded on the basis of the company's FSC-certified landbank.  | ✓<br>+ | 1 / 1 <a href="#">Source</a><br>0.21 / 1    |
| <b>92. Commitment to zero burning?</b>   | ✗      | 0 / 1                                       |
| <b>93. Commitment to zero burning applies to all suppliers?</b>  | ✗      | 0 / 1                                       |
| <b>94. Evidence of fire monitoring and management?</b>   |        |   |



|  |        |                                |
|--|--------|--------------------------------|
|  | ✓<br>+ | 1 / 1<br>0.22 / 1              |
| The company carried out education training on fire with local residents in Indonesia and on fire prevention in PNG. In Indonesia, it also established a fire prevention system together with the government.   |        |                                |
| <input type="checkbox"/> 95. Details/number of hotspots/fires in company FMUs?   | ✗      | 0 / 1                          |
| <input type="checkbox"/> 96. Details/number of hotspots/fires in suppliers operations?   | ✗      | 0 / 1                          |
| <input type="checkbox"/> 97. Time-bound commitment to reduce greenhouse gas (GHG) emissions intensity?<br>21% reduction of greenhouse gas emissions in Scope 1 and 2 and 16% reduction of total greenhouse gas emissions in Scope 3. Intensity figure is not reported.               | P      | 0.5 / 1 <a href="#">Source</a> |
| <input type="checkbox"/> 98. GHG emissions intensity?<br>The company reports total Greenhouse Gas Emissions Accrued From Corporate Activities in 2018 as 10259000 t-CO2e.  | P      | 0.5 / 1 <a href="#">Source</a> |
| <input type="checkbox"/> 99. GHG emissions from land use change?   | ✗      | 0 / 1                          |
| <input type="checkbox"/> 100. Progress towards commitment to reduce GHG emissions intensity?<br>The company reports its yearly GHG emission figures in t-CO2e (Scope 1 and 2) 336,017 (2016), 369,785 (2017), 381,613 (2018) which is clearly not improving. Intensity not reported. | ✗      | 0 / 1 <a href="#">Source</a>   |
| <input type="checkbox"/> 101. Methodology used to calculate GHG emissions?<br>The company obtains quantitative data through GHG Protocol.  | ✓      | 1 / 1 <a href="#">Source</a>   |



## > Water, chemical and waste management

5 / 12 / 15 36.1%

6 media reports



### 102. Time-bound commitment to improve water use intensity?

This indicator is disabled as the company reports that it doesn't own pulp or paper mills.

### 103. Water use intensity?

This indicator is disabled as the company reports that it doesn't own pulp or paper mills.

### 104. Progress towards commitment on water use intensity?

This indicator is disabled as the company reports that it doesn't own pulp or paper mills.

### 105. Time-bound commitment to improve water quality (BOD and COD)?

This indicator is disabled as the company reports that it doesn't own pulp or paper mills.

|  |  |
|--|--|
| <p><b>106. Progress towards commitment on water quality (BOD and COD)?</b><br/>This indicator is disabled as the company reports that it doesn't own pulp or paper mills.</p>  | <p><b>107. Treatment of pulp and paper mill effluent?</b><br/>This indicator is disabled as the company reports that it doesn't own pulp or paper mills.</p>   |
| <p><b>108. Evidence of sawmill run-off containment and wastewater treatment?</b></p>   | <p><b>109. Proportion of processing facilities with closed-loop water treatment system?</b><br/>This indicator is disabled as the company reports that it doesn't own pulp or paper mills.</p>   |
| <p><b>110. Commitment to protect natural waterways through buffer zones?</b><br/>The company has a management manual for the preservation of riparian areas but it is unclear if this applies to all of its operations.</p>  | <p><b>111. Implementation of commitment to protect natural waterways through buffer zones?</b><br/>[Externally verified] Points for external verification have been awarded on the basis of the company's FSC/PEFC-certification. As the requirements of these certifications do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator.</p> |
| <p><b>112. Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers?</b><br/>The company keeps track of amounts of hazardous chemical substances including volatile organic compounds (VOCs) and makes an effort to reduce the use of these chemicals and does not mention pesticides and fertilisers.</p> | <p><b>113. Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers, applies to all suppliers?</b></p>   |
| <p><b>114. Evidence of eliminating chlorine and chlorine compounds for bleaching?</b><br/>This indicator is disabled as the company reports that it doesn't own pulp or paper mills.</p>   | <p><b>115. Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides?</b></p>   |
| <p><b>116. Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides applies to all suppliers?</b></p>  | <p><b>117. Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention?</b></p>   |
| <p><b>118. Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention applies to all suppliers?</b></p>  | <p><b>119. Chemical usage per ha or list of chemicals used?</b><br/>List of chemicals used does not cover the company's whole operations.</p>  |

|   |                 |                 |
|---|-----------------|-----------------|
|   | ✓<br>+ 0.21 / 1 | 1 / 1<br>Source |
| <p><b>120. Implementation of commitment to reduce chemical usage?</b><br/>Points for external verification have been awarded on the basis of the company's FSC-certified landbank.</p>  |                 |                 |
|   | ✓<br>+ 0.21 / 1 | 1 / 1<br>Source |
| <p><b>121. Integrated Pest Management (IPM) approach?</b><br/>Points for external verification have been awarded on the basis of the company's FSC-certified landbank.</p>  |                 |                 |
|   | P 0.75 / 1      | Source          |
| <p><b>122. Waste management system in place to avoid negative impacts?</b><br/>[Externally verified] The company has an initiative to reduce waste which only covers New Housing Construction Sites, not for overall operation. Points for external verification have been awarded on the basis of the company's FSC/PEFC-certification. As the requirements of these certifications do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator.</p> |                 |                 |



| <span style="font-size: 1.2em;">&gt;</span> Community, land and labour rights  |            |              |
|--|------------|--------------|
| 23.46 / 35   | 67%        |              |
| <div style="border: 1px solid black; padding: 5px;"> <span style="color: green; font-weight: bold;">⚠ 9 media reports</span> </div>  |            |              |
|  | ✓          | 1 / 1 Source |
| <p><b>123. Commitment to human rights?</b></p>   |            |              |
|  | ✓          | 1 / 1 Source |
| <p><b>124. Commitment to human rights applies to all suppliers?</b><br/>The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.</p>   |            |              |
|  | P 0.75 / 1 | Source       |
| <p><b>125. Progress on human rights commitment ?</b><br/>The company has created a human rights due diligence system in order to prevent human rights risks and also conduct periodic and appropriate training for directors, employees and other parties to ensure that this Policy is integrated into the business activities. Only partial points can be awarded as the information is not externally verified.</p> |            |              |
|  | ✓          | 1 / 1 Source |
| <p><b>126. Commitment to respect Indigenous and local communities' rights?</b><br/>The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.</p>  |            |              |
|  | ✓          | 1 / 1 Source |
| <p><b>127. Commitment to Indigenous and local communities' rights applies to all suppliers?</b><br/>The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). Full points have therefore been awarded on the basis of the company's FSC-certification/FSC membership.</p>   |            |              |
|  | P 0.5 / 1  | Source       |
| <p><b>128. Commitment to respect legal and customary land tenure rights?</b><br/>The company makes this commitment through the FSC Policy for Association (FSC-POL-01-004). As the Policy for Association's requirements do not fully meet the SPOTT indicator criteria partial points have been awarded on the basis of the company's FSC-certification/FSC membership.</p>   |            |              |
|  | ✓          | 1 / 1 Source |
| <p><b>129. Commitment to legal and customary land rights applies to all suppliers?</b><br/>The company makes this commitment through the PEFC International Chain of Custody Standard (PEFC ST 2002:2013). Full</p>  |            |              |

|  |        |                                |
|--|--------|--------------------------------|
| points have therefore been awarded on the basis of the company's PEFC CoC certification.   |        |                                |
| <p><b>130. Commitment to free, prior and informed consent (FPIC)?</b></p>  | ✓      | 1 / 1 <a href="#">Source</a>   |
| <p><b>131. Commitment to free, prior and informed consent (FPIC) applies to all suppliers?</b></p>   | ✗      | 0 / 1                          |
| <p><b>132. Details of free, prior and informed consent (FPIC) process available?</b></p>   | ✗      | 0 / 1                          |
| <p><b>133. Examples of local stakeholder engagement to prevent conflicts?</b></p> <p>Points for external verification have been awarded on the basis of the company's FSC-certification. As the P&amp;C do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator.</p>   | ✓      | 1 / 1 <a href="#">Source</a>   |
| <p><b>134. Details of process for addressing land conflicts available?</b></p>   | ✗      | 0 / 1                          |
| <p><b>135. Supports the inclusion of women across forestry operations, including addressing barriers faced?</b></p> <p>The company states that it values diversity and promotes the participation of women in the belief that this will meet the social needs and significantly contribute to increased corporate value, however, no details are provided on the type of support provided.</p>   | P      | 0.5 / 1 <a href="#">Source</a> |
| <p><b>136. Company has provided valid legal documents to Open Timber Portal on population rights (at the time of SPOTT assessments)?</b></p> <p>This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.</p>  |        |                                |
| <p><b>137. Commitment to enable sustainable use of non-timber forest products (NTFPs) by local communities?</b></p>  | ✗      | 0 / 1                          |
| <p><b>138. Commitment to provide essential community services and facilities ?</b></p>   | ✓      | 1 / 1 <a href="#">Source</a>   |
| <p><b>139. Progress on commitment to provide essential community services and facilities?</b></p> <p>The company provides support for children through the KTI Educational Foundation, contributes to the community through free seedling distribution and support for infrastructure provision, building infrastructure, and providing basic educational and medical support in neighboring business regions, etc. Points for external verification have been awarded on the basis of the company's FSC-certified landbank.</p> | ✓<br>+ | 1 / 1<br>0.21 / 1              |
| <p><b>140. Commitment to provide business/work opportunities for local communities?</b></p> <p>It is unclear if opportunities discussed on the company website are provided in all countries of operation.</p>   | P      | 0.5 / 1 <a href="#">Source</a> |
| <p><b>141. Company has provided valid legal documents to Open Timber Portal on labour regulations (at the time of SPOTT assessments)?</b></p> <p>This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.</p>   |        |                                |
| <p><b>142. Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles?</b></p>   | ✓      | 1 / 1 <a href="#">Source</a>   |

|  |                                   |
|--|-----------------------------------|
|  | ✓ 1 / 1 <a href="#">Source</a>    |
| <p>■ <b>143. Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles applies to all suppliers?</b></p>  |                                   |
|  | P 0.75 / 1 <a href="#">Source</a> |
| <p>■ <b>144. Progress on commitment to respect all workers' rights?</b><br/> [Externally verified] The company provides Human Rights Training via e-learning to all new employees and general managers in Japan. Points for external verification have been awarded on the basis of the company's FSC/PEFC-certification. As the requirements of these certifications do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator.</p> |                                   |
|  | ✓ 1 / 1 <a href="#">Source</a>    |
| <p>■ <b>145. Commitment to eliminate gender related discrimination with regards to employment?</b></p>   |                                   |
|  | ✓ 1 / 1 <a href="#">Source</a>    |
| <p>■ <b>146. Commitment to eliminate gender related discrimination with regards to employment applies to all suppliers?</b></p>  |                                   |
|  | P 0.5 / 1 <a href="#">Source</a>  |
| <p>■ <b>147. Progress on commitment to eliminate gender related discrimination with regards to employment?</b><br/> The company prohibits all forms of harassment which is communicated via the internal website and handouts and also helps in raising awareness about stopping all harassment. However, only limited details available.</p>  |                                   |
|  | ✓ 1 / 1 <a href="#">Source</a>    |
| <p>■ <b>148. Percentage or number of temporary employees?</b><br/> 4,498 (24.7%) - Figure as of March 2018.</p>  |                                   |
|  | P 0.5 / 1 <a href="#">Source</a>  |
| <p>■ <b>149. Percentage or number of women employees?</b><br/> The company reports the percentage of female employees within Sumitomo Forestry (21.0) and in Japan (32.0). An overall figure for entire company's operations could not be found.</p>   |                                   |
|  | ✓ 1 / 1 <a href="#">Source</a>    |
| <p>■ <b>150. Commitment to pay at least minimum wage?</b></p>  |                                   |
|  | ✓ 1 / 1 <a href="#">Source</a>    |
| <p>■ <b>151. Commitment to pay at least minimum wage applies to all suppliers?</b></p>   |                                   |
|  | P 0.5 / 1 <a href="#">Source</a>  |
| <p>■ <b>152. Progress on commitment to pay at least minimum wage?</b><br/> The company states that minimum wage is paid to all workers however no evidence is provided.</p>  |                                   |
|  | ✗ 0 / 1                           |
| <p>■ <b>153. Reporting of salary by gender?</b></p>  |                                   |
|  | P 0.5 / 1 <a href="#">Source</a>  |
| <p>■ <b>154. Commitment to address occupational health and safety?</b><br/> The company established Rules for OHS Management with the aim of fostering a workplace environment in which employees can perform their jobs in a safe and healthy manner, but the same does not refer to the ILO Code of Practice on Safety and Health in Forestry Work.</p>  |                                   |
|  | P 0.5 / 1 <a href="#">Source</a>  |
| <p>■ <b>155. Commitment to address occupational health and safety applies to all suppliers?</b><br/> The company makes this commitment through the FSC Chain of Custody Certification Standard (FSC-STD-40-004) and the PEFC International Chain of Custody Standard (PEFC ST 2002:2013). As the requirements of these certifications do not fully meet the SPOTT indicator criteria partial points have been awarded on the basis of the company's FSC/PEFC CoC certification.</p>                          |                                   |

|  |          |                        |
|--|----------|------------------------|
| P  | 0.75 / 1 | <a href="#">Source</a> |
| <p><b>156. Provision of personal protective equipment and related training?</b><br/>         [Externally verified] Points for external verification have been awarded on the basis of the company's FSC/PEFC-certification. As the requirements of these certifications do not fully meet the SPOTT indicator criteria limited, externally verified points have therefore been awarded for this indicator.</p> |          |                        |
| P  | 0.5 / 1  | <a href="#">Source</a> |
| <p><b>157. Time lost due to work-based injuries?</b><br/>         0.2 - The company reports the number of occupational injuries in company-owned forests, new construction sites and other operations, but reports lost-time injury frequency rate for operations in Japan only.</p>   |          |                        |
| P  | 0.5 / 1  | <a href="#">Source</a> |
| <p><b>158. Number of fatalities as a result of work-based accidents?</b><br/>         2 - Figure only covers operations in Japan.</p>  |          |                        |



### > Smallholders and suppliers

4 / 8 50%

4 media reports



|  |          |                        |
|--|----------|------------------------|
| X  | 0 / 1    |                        |
| <p><b>159. Commitment to support smallholders?</b></p>   |          |                        |
| P  | 0.75 / 1 | <a href="#">Source</a> |
| <p><b>160. Programme to support outgrower scheme and/or independent smallholders?</b><br/>         The company reports it provides seedlings which help to achieve FSC-certification and sustainable forest management programs.</p>   |          |                        |
| X  | 0 / 1    |                        |
| <p><b>161. Percentage of outgrower scheme and/or independent smallholders involved in programme?</b></p>   |          |                        |
| ✓  | 1 / 1    | <a href="#">Source</a> |
| <p><b>162. Process used to prioritise, assess and/or engage suppliers on compliance with company's policy and/or legal requirements?</b><br/>         The company reports that it carries out due diligence on timber procurement to ensure that the procurement is performed in a sustainable manner with consideration of legal compliance, human rights, labor practices, biodiversity conservation, and local communities.</p> |          |                        |
| P  | 0.75 / 1 | <a href="#">Source</a> |
| <p><b>163. Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements?</b><br/>         152 - The company conducts a Sustainability Survey for all 109 direct import source companies who are covered in the study and 43 companies for its overseas group companies. Only partial points can be awarded as the information is not externally verified.</p>           |          |                        |
| ✓  | 1 / 1    | <a href="#">Source</a> |
| <p><b>164. Suspension or exclusion criteria for suppliers?</b></p>   |          |                        |
| P  | 0.5 / 1  | <a href="#">Source</a> |
| <p><b>165. Timebound action plans (including Key Performance Indicators) for suppliers to be in compliance with timber and pulp sourcing commitments?</b><br/>         Partial points have been awarded as an action plan with KPIs/milestones is not publicly available, only the final goal.</p>   |          |                        |

■ 166. Proportion of direct and indirect supply that comes from FMUs which are compliant with timber and pulp sourcing policies?



> Governance and grievances

1.75 / 1.7 67.9%

⚠ 1 media report



■ 167. Commitment to ethical conduct and prohibition of corruption?

✓ 1 / 1 [Source](#)

■ 168. Commitment to ethical conduct and prohibition of corruption applies to all suppliers?

✓ 1 / 1 [Source](#)

■ 169. Progress on commitment to ethical conduct and prohibition of corruption?

The company provides details on implementing staff training and promoting general awareness for preventing Corruption. Only partial points can be awarded as the information is not externally verified.

P 0.75 / 1 [Source](#)

■ 170. Company has provided valid legal documents to Open Timber Portal on legal registration (at the time of SPOTT assessments)?

This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.

■ 171. Disclosure of the company's management approach to tax and payments to governments?

The company only disclosed a tax strategy with limited details.

P 0.5 / 1 [Source](#)

■ 172. Company has provided valid legal documents to Open Timber Portal on taxes, fees and royalties (at the time of SPOTT assessments)?

This indicator is disabled as the company reports that it doesn't operate in a geography currently covered by Open Timber Portal.

■ 173. Whistleblowing procedure?

The company has a whistleblowing mechanism but only limited information is given and no clear description of steps.

P 0.5 / 1 [Source](#)

■ 174. Own grievance or complaints system open to all stakeholders?

✓ 1 / 1 [Source](#)

■ 175. Details of complaints and grievances disclosed?

✘ 0 / 1

**Media monitor: Sumitomo Forestry**

SPOTT monitors global media sources for coverage of assessed companies. The media monitor gathers reports about specific activities related to the assessment indicator categories. ZSL does not assess or score the validity of media coverage, but users can explore the media monitor to provide context on implementation, and infer risks associated with reported operations on the ground.

Last media reports:

Timber and pulp media reports (16)



January 2020

**Kasus Tewasnya Karyawan Terlindas Forklift, Dewan Panggil PT KTI Probolinggo (The Case of the Death of an Oppressed Forklift Employee, the Calling Board of PT KTI Probolinggo)**

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