SPOTT

November 2017

# Summary of timber and pulp assessments

## Overview

SPOTT assesses 24 key timber and pulp producers on the public disclosure of their policies, operations and commitments to environmental, social and governance (ESG) best practice, to facilitate corporate engagement and increase industry transparency. SPOTT encourages users to engage with companies, as company policies and commitments may not always translate into effective implementation on the ground. SPOTT scores timber and pulp producers using up to 108 indicators across 10 categories:

| | Average score: | Total: |
|---|---|---|
| Sustainability policy and leadership | 52% | 6 |
| Landbank, FMUs and mills | 46% | 13 |
| Deforestation and biodiversity | 50% | 14.5 |
| HCV, HCS and impact assessment | 36% | 8 |
| Soils, fire and GHG emissions | 29% | 15 |
| Water, chemical and pest management | 28% | 12 |
| Community, land and labour rights | 47% | 19 |
| Certification standards | 20% | 11 |
| Smallholders and suppliers | 21% | 7 |
| Governance and grievances | 34% | 6 |

Average score: 37.1% Max points: 111.5

## Key findings

- The **average score** of companies is 37.1% in November 2017, with scores **ranging from** 2.9% to 90.2%.
- Three (12.5%) companies have an overall score of **at least 66%**, 10 (41.2%) companies have a score between **33% and 66%**, and 11 (45.8%) companies have a score **below 33%**.
- Companies are performing best in the category **Sustainability policy and leadership** (average score: 52%), while there is particular room for improvement in **Certification standards** (average: 20%) and **Smallholders and suppliers** (average: 21%).

**3 / 24** companies score >66%

**10 / 24** companies score 66-33%

**11 / 24** companies score <33%

### Sustainability policy and leadership

- 13/24 (54%) companies have put in place a clear and comprehensive **sustainability policy.** Only 6 (25%) companies extend their sustainability policy to third parties.
- 11/24 (46%) companies have published a **sustainability report** in the last two years.
- 13/24 (54%) companies are working with **government, NGOs or academic institutions** to improve the sustainability of forest products.

### Landbank, FMUs and mills

- 12/24 (50%) companies clearly disclose their **total land area managed**.
- 16/24 (67%) companies have made at least some **maps available** for their FMUs, but only 5/24 (21%) companies have provided geo-referenced maps for all of their FMUs.

### Deforestation and biodiversity

- 7/24 (29%) companies are implementing a **landscape approach** to biodiversity conservation.
- 16/24 (67%) companies have a clear commitment to **set-aside areas for conservation**, out of which 11 (69%) companies report that they are undertaking habitat management/restoration activities.

### HCV, HCS and impact assessments

- 8/24 (33%) companies make all their **High Conservation Value (HCV)** assessment reports publicly available and only 7/24 (29%) companies publish all of their HCV management and monitoring plans.
- 4/18[1] (22%) companies have a comprehensive commitment to conduct **HCS assessments**.
- Only 2/24 (8%) companies made the results of all their **Social and Environmental Impact Assessments** publicly available.
- 6/24 (25%) companies have clear commitments to conducting **Social and Environmental Impact Assessments (SEIAs)**.

### Soils, fire and GHG emissions

- 5/24 (21%) companies provide evidence of undertaking both **fire monitoring and management** activities.
- Only 1/18[1] (6%) companies reports GHG emissions from **land use change**.

### Water, chemical and pest management

- Only 1/7[2] (14%) companies has a time-bound plan to improve **water quality**.

---

[1] This indicator has been disabled for companies that only have natural forest based operations.
[2] This indicator has been disabled for companies without pulp and paper mills.

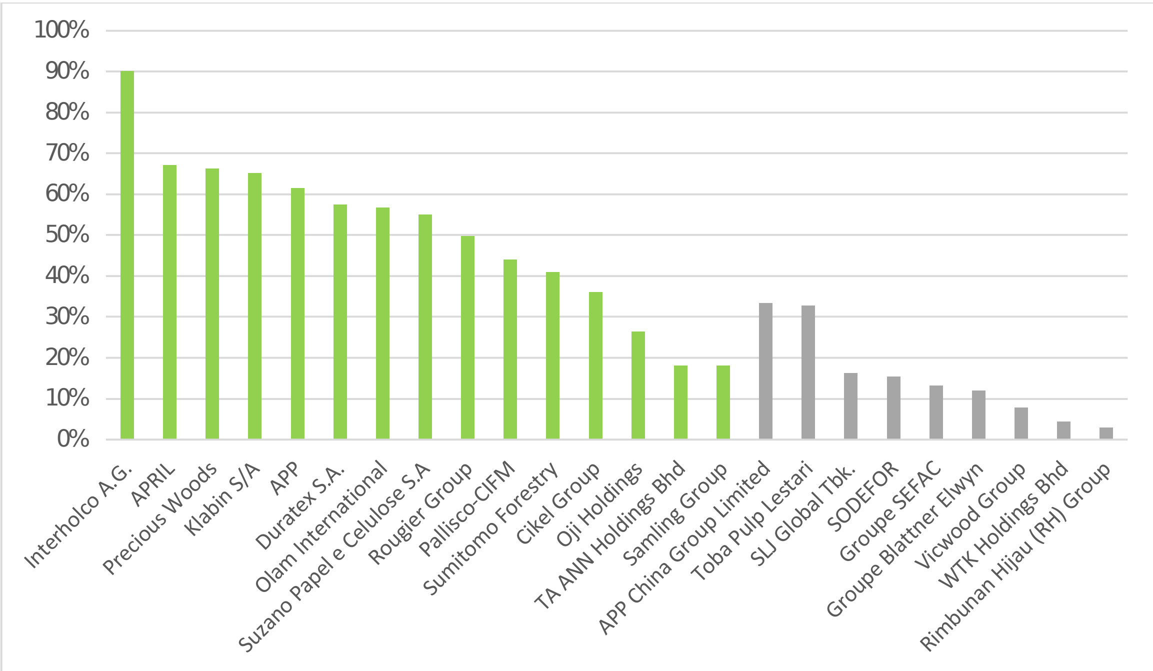
## Community, land and labour rights

- 16/24 (67%) companies are committed to respect **indigenous and local communities' rights.**
- 5/24 (21%) companies have a full commitment to **Free, Prior and Informed Consent (FPIC)** prior to all new developments, out of which only three (13%) make comprehensive details of the FPIC process publicly available.
- 18/24 (75%) companies have a commitment to respect **human rights**.
- 9/24 (38%) companies publicly commit to paying the **minimum wage**.
- 16/24 (67%) companies clearly commit to all eight fundamental **ILO Conventions**.[3]

## Certification standards

- 6/24 (25%) companies have more than 75% of their area verified as being in **legal compliance** by a third party.
- Only 4/24 (17%) companies have already achieved **100% Forest Stewardship Council (FSC) Forest Management (FM) certification** of their FMUs and a further two have a time-bound commitment to achieve 100% FSC FM certification.
- 12/24 (50%) companies have some landbank **FSC FM certified** and 6/15[4] (40%) companies have some landbank **Programme for Endorsement of Forestry Certification (PEFC) FM certified**.

**Average scores of producers with some/all FSC/PEFC FM certified land versus those with no FM certified land**




## Smallholders and suppliers

- Only 1/20[5] (5%) companies has a programme to **support independent smallholders**.
- 9/24 (38%) companies report a process for prioritising, assessing and/or engaging **suppliers** on compliance with their policy and/or legal requirements.
- 6/24 (25%) companies report to have **suspension or exclusion criteria** for suppliers.

## Governance and grievances

- 15/24 (63%) companies have a clear commitment to **ethical conduct**, while only 7/24 (29%) companies have a grievance procedure that is open to both internal and external stakeholders like employees and local communities.
- 6/24 (25%) companies report some details of **grievances publicly**.

[3] Eight Fundamental ILO Conventions: Freedom of Association (No. 87); Right to Organise and Collective Bargaining (No. 98); No Forced Labour (No. 29 & No. 105); minimum Age (No. 138); Worst Forms of Child Labour (No. 182); Equal Remuneration (No. 100); No Discrimination (No. 111).
[4] PEFC certification indicator disabled for: companies operating in countries without an endorsed PEFC standard; companies that have 100% of their landbank FSC FM certified; companies that have a timebound plan for achieving 100% FSC FM certification of their landbank.
[5] This indicator has been disabled for companies that do not source from independent smallholder suppliers.

## November 2017 transparency scorecard: timber and pulp producers

| Company | Score | Company | Score |
|---|---|---|---|
| APP (Asia Pulp and Paper Group) | 61.5% | Precious Woods Holding AG | 66.3% |
| APP China Group Ltd | 33.3% | Rimbunan Hijau (RH) Group | 2.9% |
| APRIL Group | 67.1% | Rougier Group | 49.7% |
| Cikel Group | 36.1% | Samling Group | 18.0% |
| Duratex S.A. | 57.5% | SLJ Global Tbk | 16.2% |
| Groupe Blattner Elwyn | 12.0% | SODEFOR | 15.4% |
| Groupe SEFAC | 13.1% | Sumitomo Forestry Co Ltd | 41.0% |
| Interholco A.G. | 90.2% | Suzano Papel e Celulose S.A. | 55.0% |
| Klabin S.A. | 65.2% | TA ANN Holdings Bhd | 18.0% |
| Oji Holdings | 26.5% | Toba Pulp Lestari Tbk PT | 32.7% |
| Olam International Ltd | 56.7% | Vicwood Group | 7.8% |
| Pallisco-CIFM | 44.6% | WTK Holdings Bhd | 4.4% |

## About SPOTT

SPOTT – Sustainability Policy Transparency Toolkit – is an online platform promoting transparency and accountability to drive implementation of environmental and social best practice for the sustainable production and trade of global commodities. ZSL has developed SPOTT in consultation with companies, their investors and buyers, and other experts in the timber and pulp industry to provide company- and sector-specific data required to monitor, assess and manage the risks associated with production. For more information and to view the latest round of assessments and research protocols, visit **spott.org**.

## About ZSL

Founded in 1826, the Zoological Society of London (ZSL) is an international scientific, conservation and educational charity whose mission is to promote and achieve the worldwide conservation of animals and their habitats. Our mission is realised through our ground breaking science, our active conservation projects in more than 50 countries and our two Zoos, ZSL London Zoo and ZSL Whipsnade Zoo.

**Published:** 30 November 2017