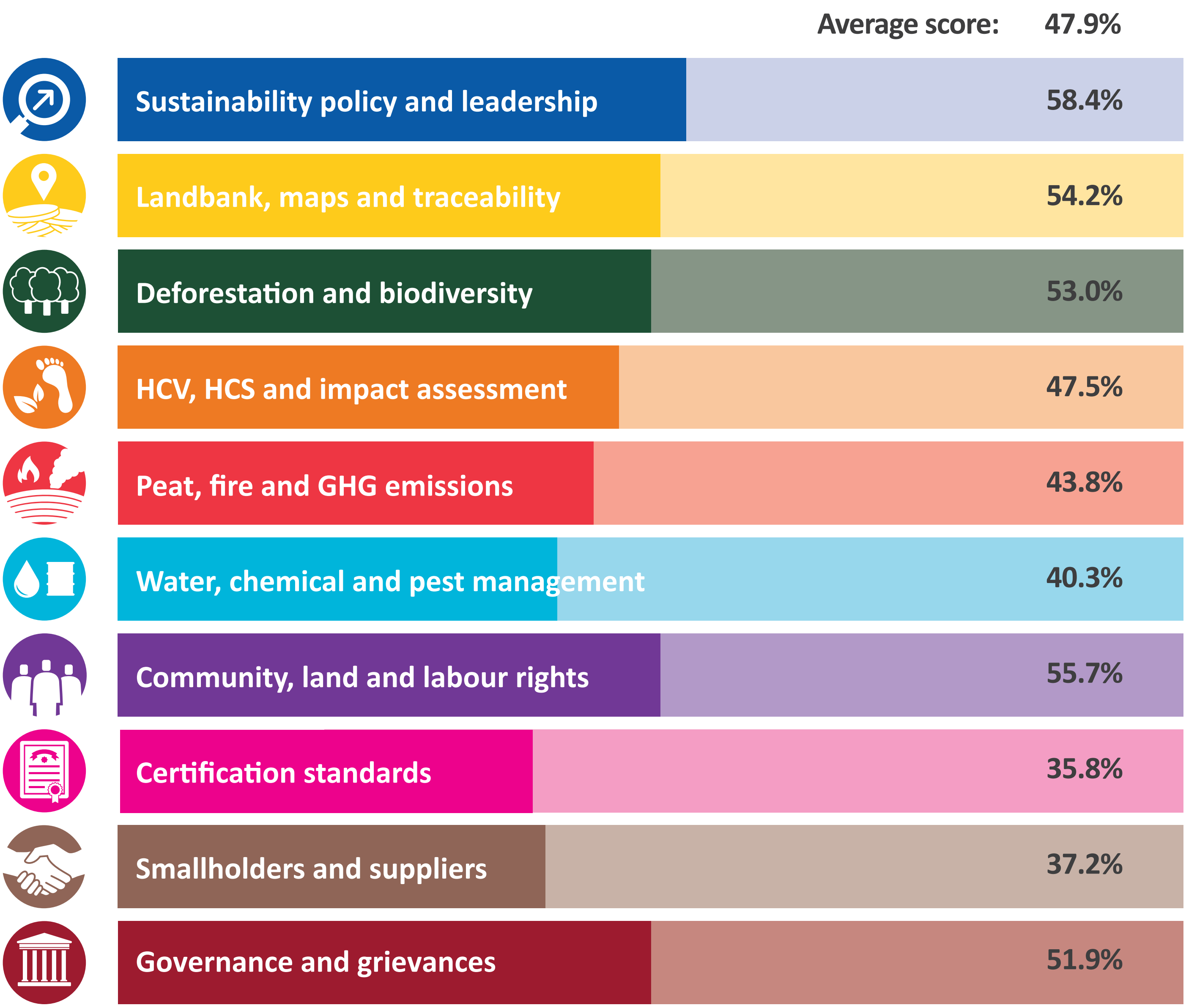
SPOTT

Summary of palm oil assessments – November 2018

Overview

SPOTT assesses 70 palm oil producers and traders 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. We encourage stakeholders to engage with producers, as company policies and commitments may not always translate into effective implementation on the ground. SPOTT scores companies using up to 119 ESG indicators across 10 categories:



23 / 70 companies score < 33%

22 / 70 companies score 33-66%

25 / 70 companies score > 66%

Key findings

- The **average score** of companies is **47.9%** in November 2018, compared to 50.4% during the last assessment of palm oil companies in November 2017.
- 25 companies have an overall score of **at least 66% (higher transparency)**, compared to 17/50 companies in November 2017.
- 23 companies have a score **below 33% (lower transparency)**, compared to 14 in the last assessment round.
- 34/50 companies assessed in 2017 saw an **increase** in their scores in 2018 – the average change in score was +6%.
- 14/50 companies assessed in 2017 saw a **decrease** in their scores in 2018 – the average change in score was -3%.
- Companies perform best in the categories **Sustainability policy and leadership** (average score: 58.4%) and **Community, land and labour rights** (average: 55.7%).
- There is room for improvement in **Certification standards** (average: 35.8%) and **Smallholders and suppliers** (average: 37.2%).
- The average score of **Roundtable on Sustainable Palm Oil (RSPO) members**, including companies with subsidiary RSPO members, is 60% vs. 20% for **non-RSPO members**.

Sustainability policy and leadership

- 48 companies have put in place clear **sustainability policies** that apply to all their operations. Only 31 companies extend their sustainability policy to **all their suppliers.**
- 45 companies are full members of the RSPO, but only 17 are members of **other external industry schemes.**[1]

Landbank, maps and traceability

- 51 companies report a **planted area, totalling over nine million hectares (ha).**[2]
- 30 companies have made at least **some of their estate maps available,** with 22 having made **all their estate maps available.**[2, 3]
- 42 companies report their areas **set aside for conservation or High Conservation Values (HCV) areas, totalling over one million hectares.**[2]
- 18 companies with trading operations achieved **> 80% traceability to mill level.**
- 22 companies have achieved **> 75% traceability to plantation for their own mills.**[4]
- Two companies have achieved **> 75% traceability for supplier mills.**[5]

Deforestation and biodiversity

- 46 companies have a **clear commitment to zero deforestation,** and a further three companies have an unclear commitment. 26 companies **extend their zero deforestation commitments to all suppliers.**
- 42 companies report **habitat management/restoration activities.**[2]
- 19 companies provide **strong evidence of monitoring deforestation,** and a further five companies provide **some evidence** of monitoring deforestation, but they **lack clear methodologies or timeframes.**

HCV, HCS and impact assessments

- 44 companies commit fully to the **High Conservation Value (HCV)** approach. 24 companies extend their **HCV commitment to smallholders and/or suppliers.**
- Although 45 companies have **High Carbon Stock (HCS) related** commitments, 34 companies commit fully to conducting **HCS assessments** and to applying the **HCS Approach** for all assessments. 25 companies have **no HCS-related commitments** in place to date.
- 17 companies have made **HCS assessments publicly available** to date.[6]
- 33 companies have made **social and/or environmental impact (SEIA) assessments** publicly available to date.[2]

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[1] e.g. Consumer Goods Forum, Global Agri-business Alliance, High Carbon Stock Approach Steering Group, High Conservation Value Resource Network, Forum for the Future of Agriculture, Natural Capital Coalition, Palm Oil Innovation Group, The Forest Trust, Tropical Forest Alliance 2020, UN Global Compact, World Business Council For Sustainable Development, or others focused on sustainability.

Peat, fire and GHG emissions

- 34 companies have a commitment to **no planting on peat of any depth.** A further 16 companies have weak or unclear commitments that **fail to specify all depths of peat.** 20 companies have **no commitment prohibiting development on peat**.
- 48 companies have a clear commitment to **zero burning**, with 28 companies **extending their no burning commitment to smallholders and/or suppliers.**
- 33 companies disclose data relating to **monitoring/managing fires.**[2]
- While 11 companies **report progress on reducing GHG emissions** over time, only nine companies have a **time-bound plan to reduce greenhouse gas (GHG) emissions**.[7]

Water, chemical and pest management

- 11 companies **report progress on water use,** and 11 have a **time-bound commitment to reduce water use.**[7]
- 47 companies are clearly implementing an **Integrated Pest Management (IPM) approach.**[2]
- 27 companies **no longer use paraquat**, with a further three having a **time-bound plan to phase out paraquat.**

Community, land and labour rights

- 15 companies **do not have a public commitment to respect human rights.**
- 45 companies commit to the principle of **free, prior and informed consent (FPIC).**
- 32 companies clearly commit to all eight fundamental International Labour Organization (ILO) **Conventions or Free and Fair Labour Principles**.
- 12 companies have provided evidence that they are **paying the minimum wage.**

Certification standards

- 16 companies have **RSPO-certified more than 75% of their mills,**[4] and only nine companies have **RSPO-certified more than 75% of their estates.**[2]
- 32 companies are certified under **other voluntary certification schemes,** including organic certification, International Sustainability and Carbon Certification (ISSC), Sustainable Agriculture Network (SAN), Roundtable on Sustainable Biomaterials (RSB), RSPO NEXT, etc.

Smallholders and suppliers

- 27 companies report a clear process for **prioritising, assessing and/or engaging suppliers on compliance with their policy and/or legal requirements,** and a further seven companies have a **weak or unclear process.**
- 18 companies disclose **suspension or exclusion criteria for suppliers,** nine of which publish unclear criteria with **no timeframes for action or steps taken.**

Governance and grievances

- 53 companies have commitments to **both ethical conduct and prohibition of corrruption**, and 10 companies have **no commitment to ethical conduct or the prohibition of corruption.**
- 32 companies recognise **whistleblowers** and have relevant procedures on whistleblowing. 17 companies **allow whistleblowing but provide no procedure.**
- 21 companies have published **no information on whistleblowing.**
- 19 companies report **full details of grievances** publicly, and a further four companies disclose partial details.

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[2] Seven companies are only processors or traders and do not own land and therefore are excluded.
[3] Companies have submitted maps to the RSPO; however, not all may be publicly available yet.
[4] Six companies assessed do not own mills and therefore are excluded.
[5] 36 companies do not source from supplier mills and therefore are excluded.
[6] 17 companies assessed are only traders and do not own land, or have not undertaken any new planting since January 2016, and therefore are excluded.
[7] Two companies are only traders and do not have any processing facilities and therefore are excluded.

November 2018 transparency scorecard: palm oil producers and traders

Company	Score	Company	Score
AAK AB	66.7%	IJM Plantations Bhd	58.7%
Agritrade International Pte. Ltd.	3.0%	Indofood Agri Resources Ltd	69.8%
AgroAmerica	63.2%	IOI Corporation Bhd	78.1%
Agropalma Group	93.6%	Itochu Corporation	26.4%
Anglo-Eastern Plantations plc	21.3%	Jaya Tiasa Holdings Bhd	16.7%
Archer Daniels Midland Company (ADM)	77.3%	Kencana Agri Ltd	35.5%
Asian Agri Group	72.3%	Korindo Group	35.5%
Astra Agro Lestari Tbk PT	49.4%	KS Oils Ltd	2.6%
Atama Plantation Sarl	2.2%	Kuala Lumpur Kepong Bhd	71.7%
Austindo Nusantara Jaya Tbk PT	62.7%	Kulim (Malaysia) Bhd	53.5%
Bakrie Sumatera Plantations Tbk PT	44.0%	Louis Dreyfus Company	65.9%
Best Group	1.6%	M.P. Evans Group plc	60.3%
Biopalma da Amazônia S.A.	24.3%	Makin Group	14.9%
Boustead Plantations Bhd	38.6%	Musim Mas Group PT	87.0%
Bumitama Agri Ltd	72.4%	New Britain Palm Oil Ltd	96.0%
Bunge Ltd	81.1%	Noble Group Ltd	82.1%
C.I Biocosta S.A.	66.4%	Olam International Ltd	77.4%
Cargill Inc	68.2%	Palmas Group	37.7%
Daabon Group	96.9%	POSCO DAEWOO Corporation	27.4%
Darmex Agro Group PT	1.6%	QL Resources Bhd	15.2%
Dharma Satya Nusantara Tbk	35.5%	R.E.A. Holdings plc	70.2%
Eagle High Plantations Tbk PT	36.8%	REPSA	38.9%
Feronia Inc	44.4%	Sampoerna Agro Tbk PT	43.9%
FGV Holdings Bhd	65.6%	Sarawak Oil Palms Bhd	26.9%
First Resources Ltd	69.9%	Sawit Sumbermas Sarana Tbk PT	54.8%
Genting Plantations Bhd	47.8%	Sime Darby Plantation Sdn Bhd	82.6%
Glencore Agriculture B.V.	17.2%	SIPEF	64.3%
Glenealy Plantations Sdn Bhd	1.7%	Socfin Group S.A.	71.8%
Golden Agri Resources Ltd	85.3%	Tianjin Julong Group	0.4%
Golden Plantation Tbk PT	15.8%	Tradewinds Plantation Bhd	10.2%
Golden Veroleum (Liberia) Inc. (GVL)	50.8%	Triputra Agro Persada Group PT	23.9%
Goodhope Asia Holdings Ltd.	67.2%	TSH Resources Bhd	29.0%
Gozco Plantations Tbk PT	6.1%	Tunas Baru Lampung Tbk PT	25.3%
Groupe Blattner Elwyn	0.4%	United Plantations Bhd	86.5%
Hap Seng Plantation Holdings Bhd	74.4%	Wilmar International Ltd	83.0%

About SPOTT

Developed by ZSL (Zoological Society of London), SPOTT – Sustainability Policy Transparency Toolkit – is an online platform supporting sustainable commodity production and trade. By tracking transparency, SPOTT incentivises the implementation of corporate best practice. SPOTT assesses commodity producers and traders on the public disclosure of their policies, operations and commitments related to environmental, social and governance (ESG) issues. SPOTT scores companies annually against sector-specific indicators, to benchmark their progress over time. Investors, buyers and other key influencers can use SPOTT assessments to inform stakeholder engagement, manage risk, and increase industry transparency.
For more information, visit **spott.org**.

About ZSL

ZSL (Zoological Society of London) is an international conservation charity working to create a world where wildlife thrives. From investigating the health threats facing animals to helping people and wildlife live alongside each other, ZSL is committed to bringing wildlife back from the brink of extinction. Our work is realised through our ground-breaking science, our field conservation around the world and engaging millions of people through our two zoos, ZSL London Zoo and ZSL Whipsnade Zoo. For more information, visit **zsl.org**.

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