SPOTT

Summary of natural rubber assessments – November 2019

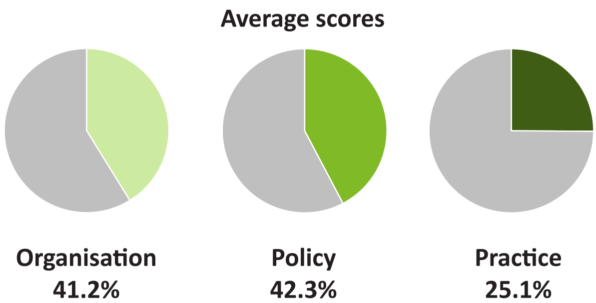
Overview

SPOTT assesses 15 natural rubber producers and processors 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 companies, as company policies and commitments may not always translate into effective implementation on the ground. SPOTT scores companies across 10 ESG categories:

Average score: 36.0%

ZSL recognises that companies are at different stages of their sustainability journey. SPOTT assesses the transparency and content of company disclosure regarding:

Organisation: operations, assets and management structure
Policy: policies, commitments and processes to guide operations on the ground
Practice: activities undertaken to actively progress towards targets and implement policies and commitments on the ground



Key findings

- The **average score** of companies is 36% for the inaugural assessments in November 2019.
- The average score of **Global Platform for Sustainable Natural Rubber (GPSNR) members** (five companies) is 48.7% vs. 29.6% for **non-GPSNR members** (10 companies).
- Companies perform best in **Landbank, maps and traceability** (average score: 50.3%).
- There is greatest room for improvement in support and commitments relating to **Smallholders and suppliers** (average score: 22.7%), **Soils, fire and GHG emissions** (22.7%), and **Water, chemical and pest management** (23%).

Note: Indicators are disabled if they are not applicable to companies due to the nature or location of their operations.

Sustainability policy and leadership

- Nine out of 15 (60%) companies have put in place a clear and comprehensive **sustainability policy.** Only five out of 13 (38.5%) companies extend their sustainability policy to **third parties.**
- Nine out of 15 (60%) companies have published a **sustainability report** in the last two years.
- 10/15 (67%) companies are working with government, non-governmental organisations, or academic institutions to **improve the sustainability of natural rubber.**

Landbank, maps and traceability

- 10/15 (67%) companies report the area managed for natural rubber, totalling **around 1.6 million hectares.**
- Seven out of 15 (47%) companies report their areas **set aside for conservation or High Conservation Values (HCV) areas, totalling over 150,000 hectares.**
- Only five out of 14 (36%) companies commit to **traceability for their whole supply chains.**

Deforestation and biodiversity

- Seven out of 15 (47%) companies have a **clear commitment to zero deforestation,** and a further two companies have an unclear commitment. Only four out of 13 (31%) companies **extend their zero deforestation commitments to their non-smallholder suppliers.**
- Just five out of 15 (33%) companies are implementing a **landscape or jurisdictional approach.**
- 11/15 (73%) companies have a **clear commitment to biodiversity conservation**, while seven out of 15 (47%) provide examples of **species and habitat conservation activities**, and only four out of 15 (27%) **identified species of conservation interest.**

HCV, HCS and impact assessments

- Nine out of 15 (60%) companies have a commitment to conduct **High Conservation Value (HCV) assessments for all new development and planting.**
- Only two out of 15 (13%) companies make some or all of their **HCV assessment reports publicly available.**
- Only six out of 15 (40%) companies have a clear commitment to **conduct Social and Environmental Impact Assessments** (SEIAs) for all new development and planting, and just four (27%) have **made the results of at least one of their SEIAs publicly available.**

Soils, fire and GHG emissions

- Only two out of 11 (18%) companies have a comprehensive commitment to **no planting on peat of any depth.** A further three companies have weak or unclear commitments that **fail to specify all depths of peat** or refer only to parts of the companies' operations.
- Only four out of 15 (27%) companies **commit to best tapping practices**, but only three companies **provide evidence of implementing such tapping practices.**
- Only six out of 15 (40%) companies have a **clear and comprehensive commitment to zero burning.**
- 10/15 (67%) companies provide some **evidence of undertaking both fire monitoring and management activities,** but only two (13%) **report on fires in company estates.**
- Just one out of 15 (7%) companies has a time-bound commitment to **reduce greenhouse gas (GHG) emissions intensity.** Only two out of 15 (13%) companies report a **reduction in their GHG emissions intensity** over time.

Water, chemical and pest management

- Just two out of 14 (14%) companies with natural rubber processing facilities have a **time-bound commitment to improve water quality,** while three (21%) companies **report improvements in water quality** over time.
- Only five out of 15 (33%) companies report that they use **buffer or riparian zones to protect natural waterways.**
- Only three out of 14 (21%) companies report they **reduce odours from natural rubber processing facilities.**
- Seven out of 15 (47%) companies have a **commitment to minimise the use of chemicals,** including both pesticides and chemical fertilisers, but only one company **reports reductions in chemical use.**

Community, land and labour rights

- Six out of 15 (40%) companies have a public commitment **to the UN Declaration on Human Rights** or equivalent. Four out of 13 (31%) companies **extend their commitment to non-smallholder suppliers.**
- Seven out of 15 (47%) companies have a **commitment to respect indigenous and local communities' rights,** and nine out of 15 (60%) have a comprehensive commitment to obtain **free, prior and informed consent (FPIC) prior to all new developments.**
- 11/15 (73%) companies have a commitment to provide **essential community services and facilities,** and 12/15 (80%) provide examples of **supporting local communities.**
- Eight out of 15 (53%) companies have a commitment to pay **at least minimum wage** but only four (27%) provide some **evidence that they are paying the minimum wage to all their workers.**
- Six out of 15 (40%) companies have a commitment to **support the inclusion of women** across natural rubber operations.
- 10/15 (67%) companies report the **number or percentage of women employees,** with the average across these companies being 24%.
- 13/15 (87%) companies have a commitment to **eliminate gender related discrimination** with regards to employment and occupation, however only one company **provides some information on salary by gender.**

Certification standards/Sustainability initiatives

- Five out of 15 (33%) companies are members of the **Global Platform for Sustainable Natural Rubber (GPSNR).**
- Six out of 15 (40%) companies have submitted a self-declaration for the **Sustainable Natural Rubber Initiative (SNR-i).**
- Eight out of 15 (53%) companies are certified under **voluntary certification schemes** such as ISO 14001, ISCC, SVLK and HeveaPRO.

Smallholders and suppliers

- 10/14 (71%) companies have a **commitment to support smallholders,** and 10 (71%) companies provide **examples of supporting activities**. However, only four (29%) companies report their process for **assessing and engaging suppliers** – including smallholders – on compliance with the company's policy and/or legal requirements.
- Only one out of 13 (8%) companies reports the **number of non-smallholder suppliers that it has assessed or engaged** on compliance with its policies and/or legal requirements.
- None of the companies report on the **percentage of supply that comes from agroforestry.**[1]

Governance and grievances

- Eight out of 15 (53%) companies clearly commit to **ethical conduct and prohibition of corruption.**
- Only six out of 15 (40%) companies have a **grievance system that is open to both internal and external stakeholders such as employees and local communities.**
- Just two out of 15 (13%) companies **disclose details of complaints and grievances,** but only one (7%) provides **comprehensive details of the grievances received and their resolution**.

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[1] Agroforestry is the interaction of agriculture and trees, including the agricultural use of trees. This includes trees on farms and in agricultural landscapes, farming in forests and along forest margins and tree-crop production, including cocoa, coffee, natural rubber and oil palm. (World Agroforestry Centre, ICRAF)

November 2019 transparency scorecard: natural rubber producers and processors

Company	Score	Company	Score
Bakrie Sumatera	28.2%	Kirana Megatara	21.5%
Bridgestone	47.1%	Royal Lestari Utama	50.0%
FELCRA Berhad Malaysia	9.0%	Sampoerna Agro	72.0%
Groupe Blattner Elwyn	0.8%	Siat Group	57.2%
HAGL Group	12.1%	Socfin	67.0%
Halcyon Agri	69.6%	Société Internationale de Plantations d'Hévéas (SIPH)	38.7%
Indofood Agri	13.1%	Vietnam Rubber Group (VRG)	42.7%
J.A. WATTIE TBK	11.3%		

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, processors 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**.

Updated: 19 December 2019
Due to a technical issue Vietnam Rubber Group's score required updating, resulting in some changes to the scorecard and summary.