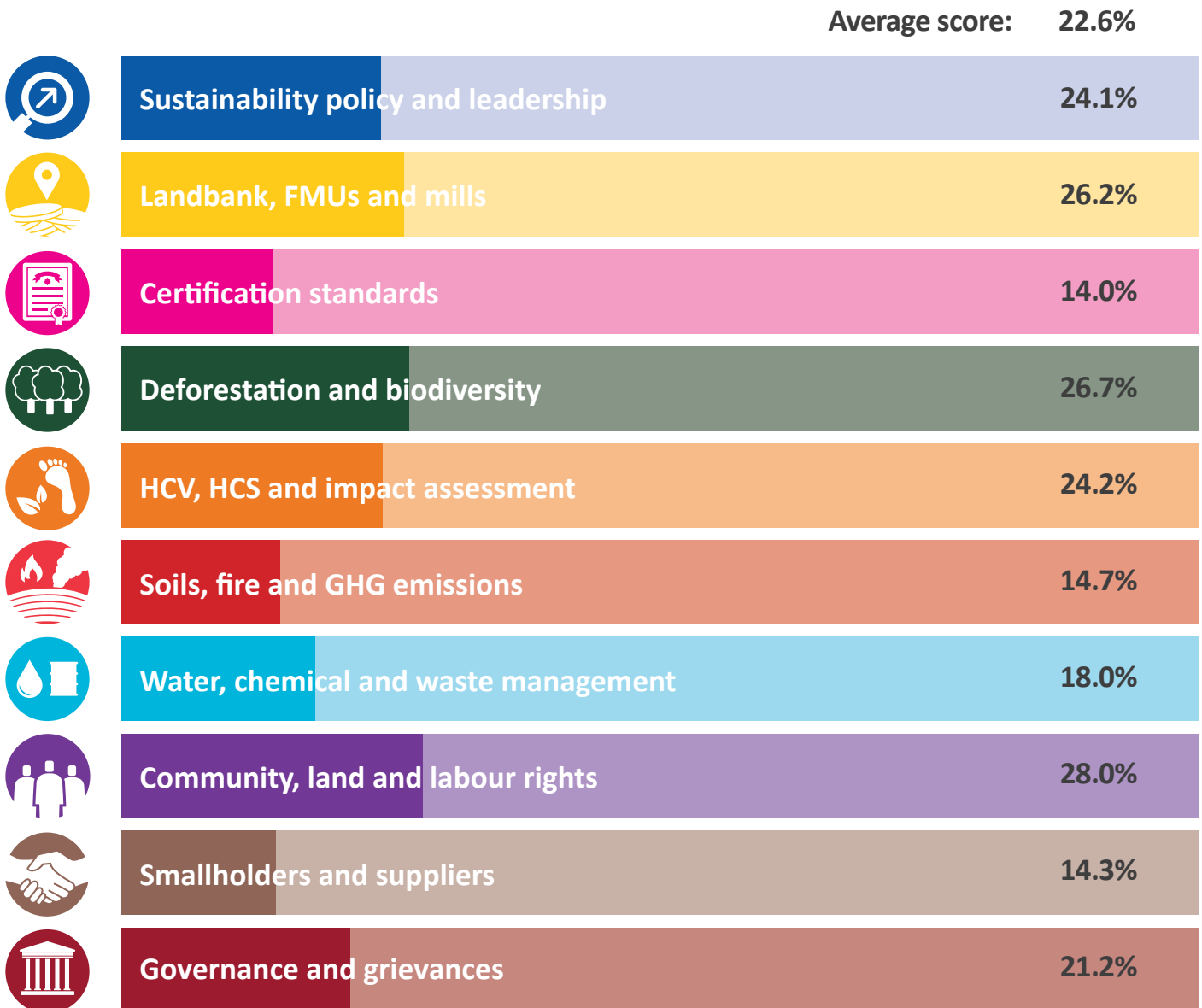


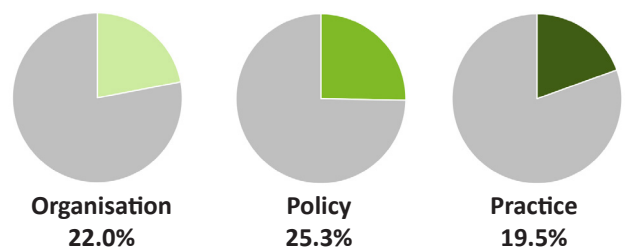
Summary of timber and pulp assessments – July 2020

Overview

SPOTT assesses 100 timber and pulp producers and traders on their public disclosure regarding their organisation, policies, and practices related to environmental, social and governance (ESG) best practice, to facilitate corporate engagement and increase industry transparency. SPOTT encourages stakeholders to engage with producers, as company policies and commitments may not always translate into effective implementation on the ground. SPOTT scores timber and pulp producers using up to 175 ESG indicators across 10 categories:



Average scores



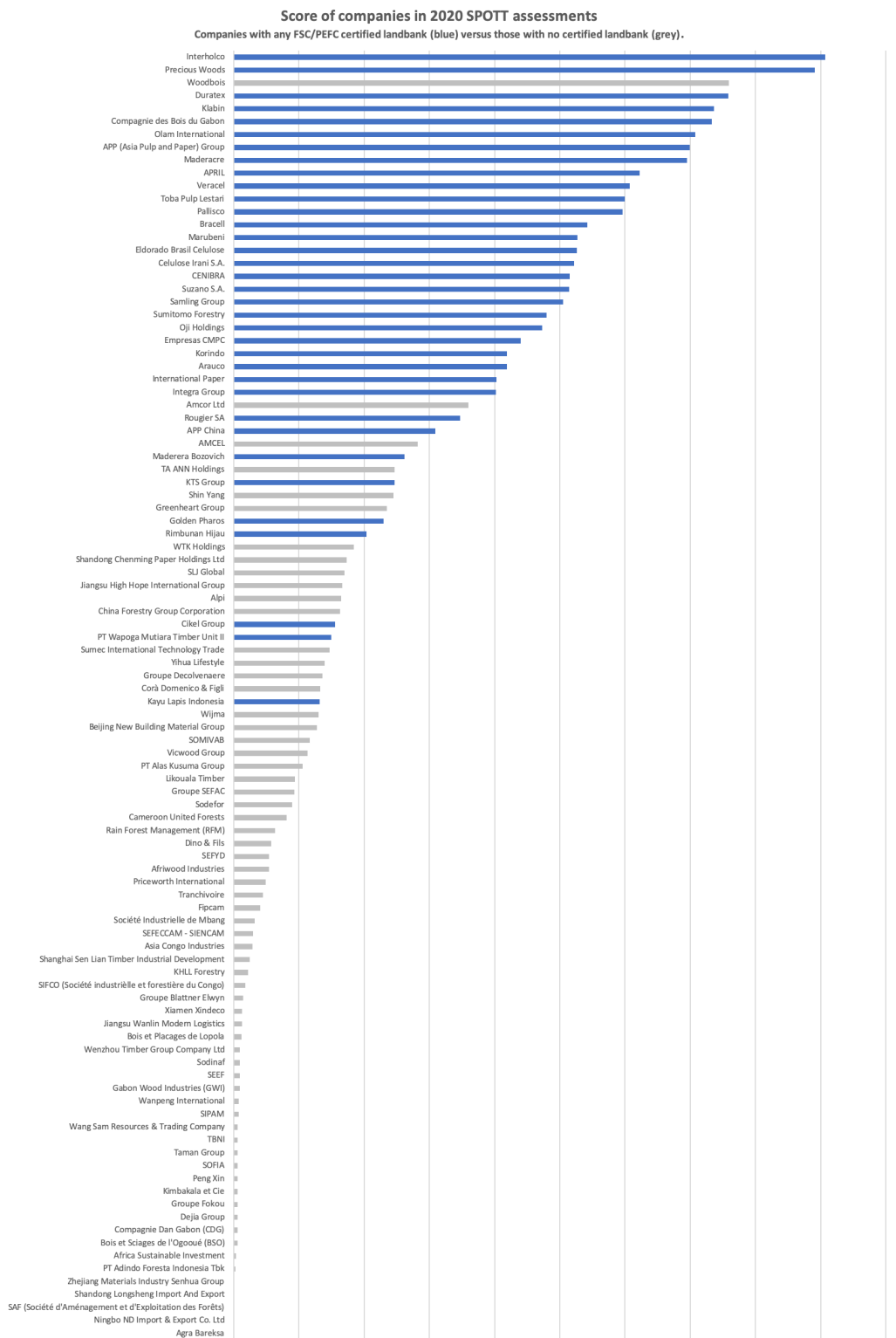
ZSL recognises that companies are at different stages of their sustainability journey. SPOTT assesses the transparency and content of company disclosure regarding:

- 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 22.6% in July 2020, compared to 20.4% during the last assessment of timber and pulp companies in July 2019. This represents an increase despite more stringent indicator requirements this year to include a greater focus on company reporting of practices and progress towards commitments.
- The average score of 94 companies also assessed in 2019 is 22.5% compared to 20.4% last year.
- 43 companies assessed in 2019 saw an **increase** in their scores in 2020 – the average change in score was +5.8 percentage points. 46 companies assessed in 2019 saw a **decrease** in their scores in 2020 – the average change in score was -2.3 percentage points.
- The average score of companies with some or all of their landbank **Forest Stewardship Council (FSC) Forest Management (FM) certified** or **Programme for Endorsement of Forestry Certification (PEFC) FM certified** is 48.6% compared to 8% for companies lacking such certification.

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





Sustainability policy and leadership

- 32/90 (36%) companies have put in place a clear and comprehensive **sustainability policy**. Only 13/100 companies (13%) extend their sustainability policy to **all their sourcing**.
- 14/55 (25%) companies have one or more **board members with responsibility for sustainability**.
- 23/100 (23%) companies have a **high-level position** (excluding board members) with responsibility for sustainability.
- 31/100 (31%) companies have published a **sustainability report** in the last two years.
- 26/100 (26%) companies are working with **government, non-governmental organisations, or academic institutions** to improve the sustainability of forest products.
- 4/100 (4%) companies have **assessed climate risk** and provided some details on the assessment.



Landbank, FMUs and mills

- 22/66 (33%) companies clearly disclose their **total area of forest plantation**, and 14/76 (18%) disclose the **total area of natural forest** they control for wood/wood fibre production. Total area covered by the 90 companies with landbank is approximately **44 million hectares**.
- 23/90 (25.6%) companies disclose full information on their areas set aside for conservation of **High Conservation Value (HCV)** areas, totalling over 9 million hectares.
- 67/90 (74%) companies have made at least some **maps available for their Forest Management Units (FMUs)**, but only 12/90 (13%) companies have provided georeferenced **maps for all their FMUs**.
- Only 4/73 (5%) companies disclose some information on the **area of intact forest landscape¹** found within their operational area.
- 14/94 (15%) companies have **procedures to trace raw materials to FMU level**.
- 17/94 (18%) companies achieved >80% traceability to country level while 13/94 (14%) companies have achieved >75% traceability to FMU level.



Certification standards

- 24/90 (27%) companies have **more than 75% of their area** verified as being in legal compliance by a third party. Just 9/90 that have suppliers (10%) report any of their supply as being verified legal by a third party.
- Only 15/90 (17%) companies have more than 75% of their landbank **Forest Stewardship Council (FSC) Forest Management (FM) certified** and only 8/90 (9%) companies are 100% certified.
- 14/94 (15%) companies have a commitment to only source wood or wood fibre that meets **FSC Controlled Wood** requirements.



Deforestation and biodiversity

- 50/90 (56%) companies have a clear commitment to **zero conversion of natural forests**. 51/100 (51%) companies commit **all their suppliers** to the same standard.
- Only 12/50 (24%) companies with a zero conversion commitment report having a **system to monitor deforestation**, and just nine have **published deforestation figures** in the past two years.
- 41/90 (46%) companies have a clear commitment to **biodiversity conservation**.
- Only 33/90 (37%) companies that control land provide some examples of **species or habitat conservation management** on their concessions.



HCV, HCS and impact assessments

- 53/90 (59%) companies have a commitment to conduct **High Conservation Value (HCV) assessments** for all new development and planting. 49/94 (52%) companies, including traders and producers that have suppliers, extend this commitment to all sourcing.
- However, only 17/90 (19%) companies make all their **HCV assessment reports publicly available**.
- 21/93 (23%) companies have a clear commitment to **conduct Social and Environmental Impact Assessments (SEIAs)** for all new development and planting.



Soils, fire and GHG emissions

- 13/90 (14%) companies commit to **best management practices for soils and/or peat**.
- Only 16/76 (21%) companies have a commitment to use **reduced impact logging (RIL)** techniques across all their operations.
- 34/90 (38%) companies provide evidence of undertaking both **fire monitoring and management** activities.
- Just 11/93 (12%) companies have a **time-bound commitment to reduce greenhouse gas (GHG) intensity**. All of these companies are reporting progress towards their GHG targets.



Water, chemical and waste management

- 6/49 (12%) companies with pulp or paper mills have a **time-bound commitment to improve water use**, while 10/49 (20%) are reporting progress towards their water use commitment.
- Just 19/90 (21%) companies have a commitment to **protect natural waterways through using buffer or riparian zones**.



Community, land and labour rights

- 51/100 (51%) companies have a commitment to **respect human rights**, while 50/94 (53%) companies that have suppliers extend this to all sourcing.
- 49/93 (53%) companies are committed to respect **indigenous and local communities' rights**, but just 8/93 (9%) have a full commitment to obtain **free, prior and informed consent (FPIC)** prior to all new developments.
- 53/100 (53%) companies clearly commit to **all eight fundamental International Labour Organization (ILO) Conventions**.¹
- 19/100 (19%) companies state that they are **paying minimum wage** to all their workers however only 11 (11%) companies provide evidence of this.



Smallholders and suppliers

- 12/80 (15%) companies have a programme to **support outgrower smallholders**, but only seven (9%) provide details of how many outgrowers are supported.
- Only 19/94 (20%) companies report they have a process for prioritising, assessing and/or **engaging suppliers on compliance with their policy and/or legal requirements**.
- 16/94 (17%) companies report the **number of suppliers that they have assessed or engaged**.

¹ 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).



Governance and grievances

- 34/100 (34%) companies have a clear commitment to **ethical conduct** and the prohibition of corruption.
- 19/100 (19%) companies have a **grievance procedure that is open to both internal and external stakeholders** such as employees and local communities.
- Just nine (9%) companies report some **details of grievances**, but only six (6%) provide comprehensive details of the grievances reported to them and their resolution.

Gender

- 30/100 (30%) companies provide details on the **number of women in their senior management team**. The average percentage of women in senior management is about 10% in these companies.
- Only 12/90 (13%) companies have a commitment to support the **inclusion of women across forestry operations**, including addressing barriers faced.
- 11/100 (11%) companies provide evidence of progress towards a commitment to **eliminate gender-related discrimination** with regards to employment.
- 28/100 (28%) companies report **number or percentage of women employees**. The average percentage of women employees in these companies is 21.9%.
- Only 6/100 (6%) companies report **salaries by gender**.

Legality

- 31/90 (34%) producers operate in the three countries which are covered by Open Timber Portal (DRC, Republic of Congo, Cameroon).
- The average score of the 31 companies on OTP across the eight categories covered by SPOTT is 24% – an improvement of 11 percentage points from the previous year.
- Companies perform best in the **legal registration** category where 18/31 (58%) companies provided more than 25% of required documentation.
- The lowest performing category is the **population rights** category where only 5/31 (17%) companies provided more than 25% of required documentation.



July 2020 transparency scorecard: timber and pulp producers and traders

Company	Score	Company	Score
Africa Sustainable Investment	0.4%	Groupe SEFAC	9.3%
Afriwood Industries	5.4%	Integra Group	40.2%
Agra Bareksa	0%	Interholco	90.7%
Alpi	16.5%	International Paper	40.3%
AMCEL	28.2%	Jiangsu High Hope International Group	16.7%
Amcor Ltd	36.0%	Jiangsu Wanlin Modern Logistics	1.3%
APP (Asia Pulp and Paper Group)	69.9%	Kayu Lapis Indonesia	13.2%
APP China	30.9%	KHLL Forestry	2.2%
APRIL	62.2%	Kimbakala et Cie	0.6%
Arauco	41.9%	Klabin	73.6%
Asia Congo Industries	2.9%	Korindo	41.9%
Beijing New Building Material Group	12.8%	KTS Group	24.7%
Bois et Placages de Lopola	1.2%	Likouala Timber	9.4%
Bois et Sciages de l'Ogooué (BSO)	0.6%	Maderacre	69.5%
Bracell	54.2%	Maderera Bozovich	26.2%
Cameroon United Forests	8.1%	Marubeni	52.7%
Celulose Irani S.A.	52.2%	Ningbo ND Import & Export Co. Ltd	0%
CENIBRA	51.5%	Oji Holdings	47.3%
China Forestry Group Corporation	16.3%	Olam International	70.8%
Cikel Group	15.6%	Pallisco	59.6%
Compagnie Dan Gabon (CDG)	0.6%	Peng Xin	0.6%
Compagnie des Bois du Gabon	73.3%	Precious Woods	89.1%
Corà Domenico & Figli	13.3%	Priceworth International	4.9%
Dejia Group	0.6%	PT Adindo Foresta Indonesia Tbk	0.3%
Dino & Fils	5.8%	PT Alas Kusuma Group	10.6%
Duratex	75.8%	PT Wapoga Mutiara Timber Unit II	15.0%
Eldorado Brasil Celulose	52.6%	Rain Forest Management (RFM)	6.4%
Empresas CMPC	44.0%	Rimbunan Hijau	20.4%
Fipcam	4.1%	Rougier SA	34.7%
Gabon Wood Industries (GWI)	1.0%	SAF (Société d'Aménagement et d'Exploitation des Forêts)	0%
Golden Pharos	23.0%	Samling Group	50.5%
Greenheart Group	23.5%	SEEF	1.0%
Groupe Blattner Elwyn	1.5%	SEFECCAM - SIENCAM	3.0%
Groupe Decolvenaere	13.6%	SEFYD	5.4%
Groupe Fokou	0.6%	Shandong Chenming Paper Holdings Ltd	17.3%

Company	Score	Company	Score
Shandong Longsheng Import And Export	0%	Taman Group	0.6%
Shanghai Sen Lian Timber Industrial Development	2.5%	TBNI	0.6%
Shin Yang	24.5%	Toba Pulp Lestari	60.0%
SIFCO (Société industrielle et forestière du Congo)	1.8%	Tranchivoire	4.5%
SIPAM	0.8%	Veracel	60.7%
SLJ Global	17.0%	Vicwood Group	11.3%
Société Industrielle de Mbang	3.2%	Wang Sam Resources & Trading Company	0.6%
Sodefor	9.0%	Wanpeng International	0.8%
Sodinaf	1.0%	Wenzhou Timber Group Company Ltd	1.0%
SOFIA	0.6%	Wijma	13.0%
SOMIVAB	11.7%	Woodbois	75.9%
Sumec International Technology Trade	14.7%	WTK Holdings	18.4%
Sumitomo Forestry	48.0%	Xiamen Xindeco	1.3%
Suzano S.A.	51.4%	YiHua Lifestyle	14.0%
TA ANN Holdings	24.7%	Zhejiang Materials Industry Senhua Group	0%

About SPOTT

Developed by the Zoological Society of London (ZSL), SPOTT 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 their public disclosure regarding their organisation, policies, and practices 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 www.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 www.zsl.org

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We're ZSL, an international conservation charity working to create a world where wildlife thrives. Join us at zsl.org