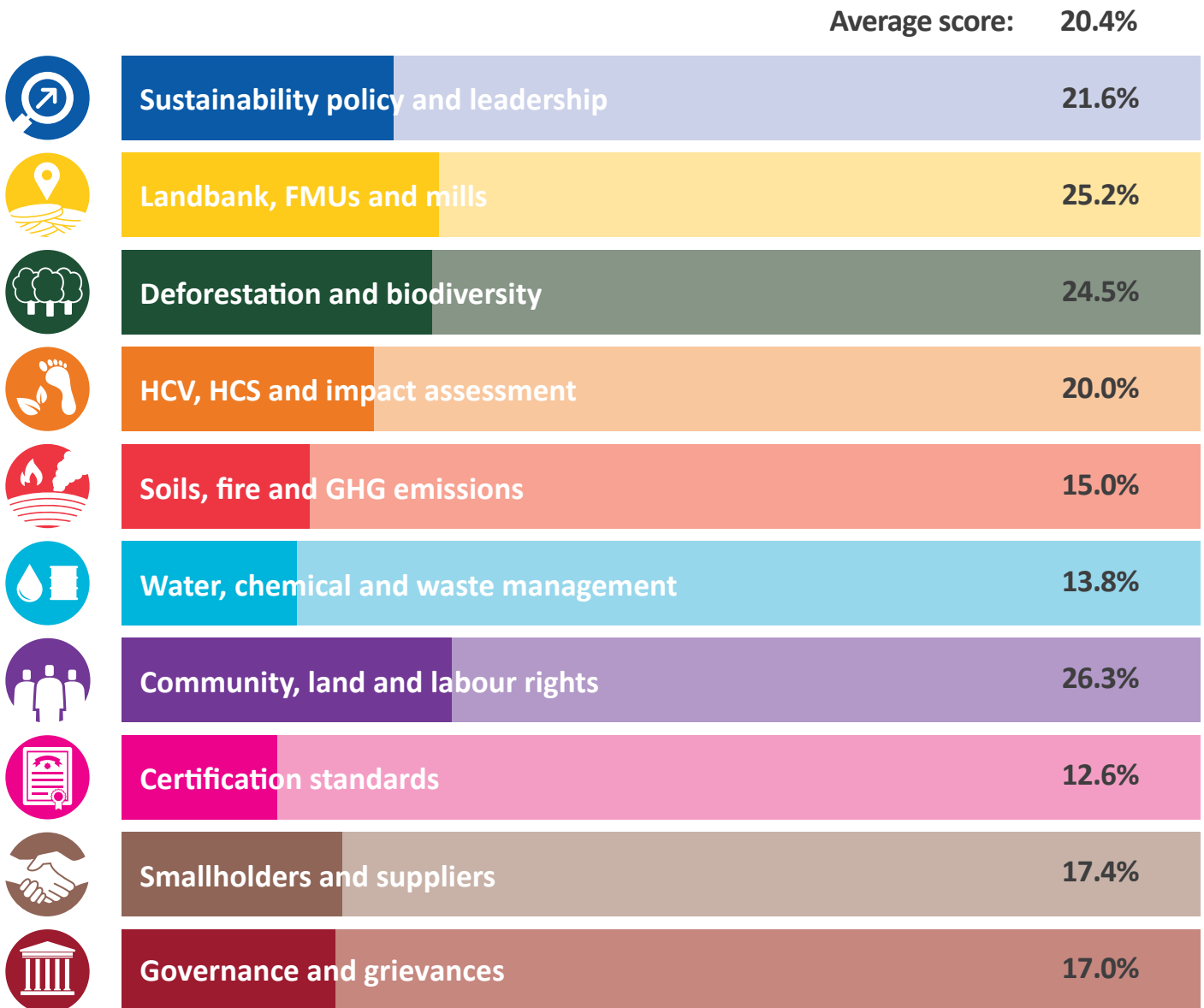


Summary of timber and pulp assessments – July 2019

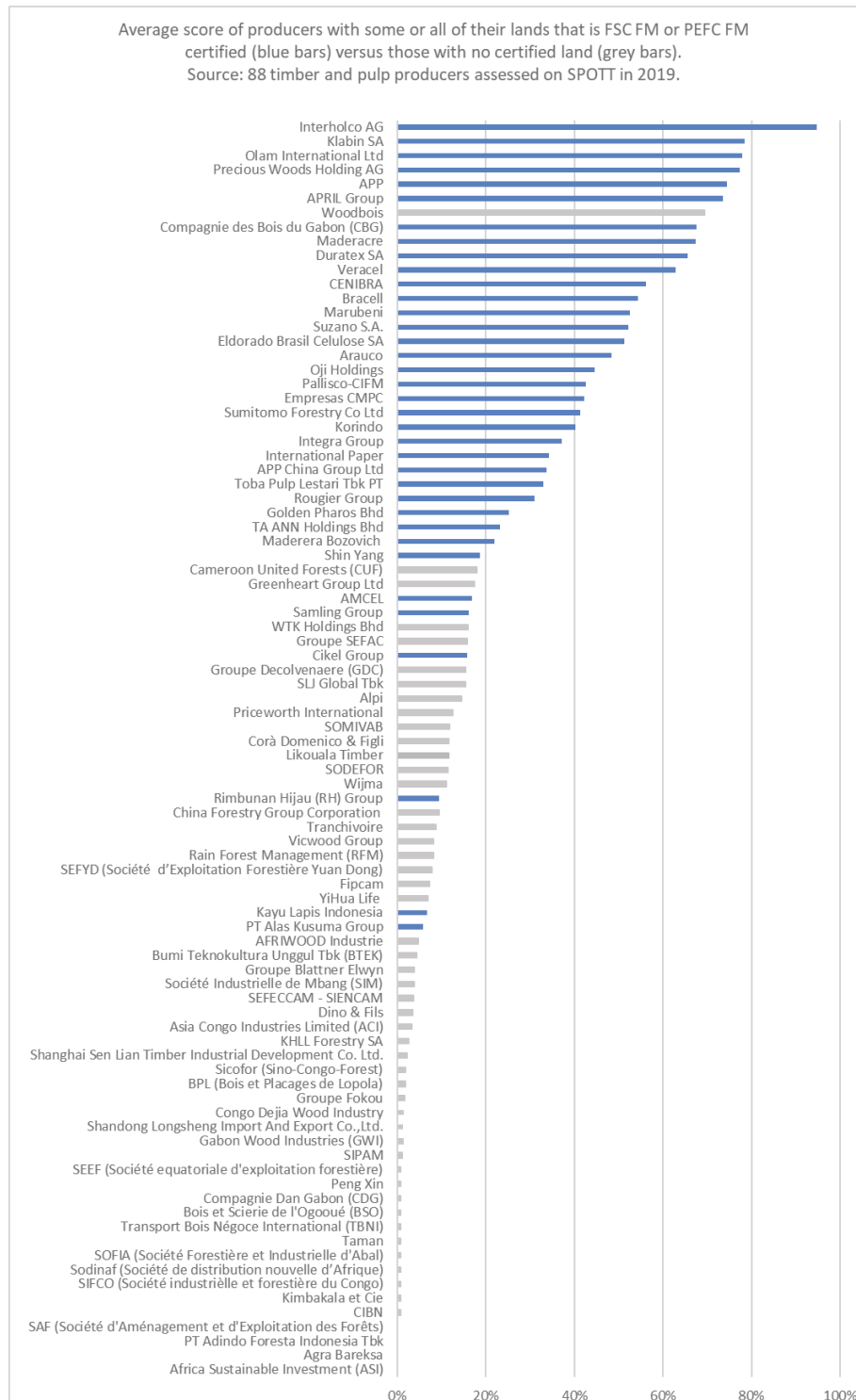
Overview

SPOTT assesses 97 timber and pulp 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. 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 131 ESG indicators across 10 categories:



Key findings

- The **average score** of companies is 20.4% in July 2019, compared to 31.1% during the last assessment of timber and pulp companies in July 2018. This decrease is mainly explained by the larger number of companies assessed, including 21 companies that do not have a website and therefore demonstrate no transparency.
- The average score of 49¹ companies also assessed in 2018 is 33.3% compared to 31.1% last year.
- The average score of 24 companies also assessed in 2017 and 2018 is 39.8% compared to 38.9% in 2018, and 37.1% in 2017.
- 24/49 (49%) companies assessed in 2018 saw an **increase** in their scores in 2019 – the average change in score was +7.1%.
- 24/49 (49%) companies assessed in 2018 saw a **decrease** in their scores in 2019 – the average change in score was -3.7%.
- 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 44% compared to 18% for companies lacking such certification.



¹ One company, Barito Pacific was deselected from assessments due to selling its timber operations in late 2018.

Gender

- 28/97 (29%) 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 6/88² (7%) companies have a commitment to support the **inclusion of women across forestry operations**, including addressing barriers faced.
- 21/97 (22%) companies report **number or percentage of women employees**. The average percentage of women employees in these 21 companies is 16%.
- Only 4/97 (4%) companies report **salaries by gender**.

Legality

- 32/88 (36%) producers operate in the three countries which are covered by Open Timber Portal (DRC, Republic of Congo, Cameroon).
- The average score of the 32 companies on OTP across the 8 categories covered by SPOTT is 13%.
- Companies perform best in the **legal registration** category where 17/32 (53%) companies provided more than 25% of required documentation.
- The lowest performing category is the **population rights** category where only 3/32 (9%) companies provided more than 25% of required documentation.



Sustainability policy and leadership

- 26/97 (26%) companies have put in place a clear and comprehensive **sustainability policy**. Only 10/82⁸ companies (12%) extend their sustainability policy to **all their sourcing**.
- 10/29³ (34%) companies have one or more **board members with responsibility for sustainability**.
- 28/97 (29%) companies have a **high-level position** (excluding board members) with responsibility for sustainability.
- 25/97 (26%) companies have published a **sustainability report** in the last two years.
- 38/97 (39%) companies are working with **government, non-governmental organisations, or academic institutions** to improve the sustainability of forest products.
- 6/97 (6%) companies have **assessed climate risk** and provided some details on the assessment.



Landbank, FMUs and mills

- 17/62⁴ (27%) companies clearly disclose their **total area of forest plantation**, and 13/74⁵ (18%) disclose the **total area of natural forest** they control for wood/wood fibre production. Total area covered by the 88 companies with landbank is approximately **46.6 million hectares**.
- 30/88² (34%) companies report at least some information on their areas set aside for conservation of **High Conservation Value (HCV)** areas, totalling over 4.4 million hectares.
- 69/88² (78%) companies have made at least some **maps available for their Forest Management Units (FMUs)**, but only 11/88 (13%) companies have provided georeferenced **maps for all their FMUs**.
- Only 3/69⁶ (4%) companies disclose some information on the **area of intact forest landscape**⁷ found within their operational area.
- 14/91⁸ (15%) companies have **procedures to trace raw materials to FMU level**.
- 15/91⁸ (16%) companies achieved > 80% traceability to country level while 11/91⁸ (12%) companies have achieved > 75% traceability to FMU level.

²This indicator is disabled for companies that do not control natural forests or plantations.

³This indicator is disabled for companies that are not publicly listed, however private companies can also have boards and when they do they can score against this indicator.

⁴This indicator is disabled for companies that do not control plantations.

⁵This indicator is disabled for companies that do not control natural forests for wood/wood fibre production.

⁶This indicator is disabled for companies that have no intact forest landscape within their operations.

⁷Can be defined as a territory within today's global extent of forest cover minimally influenced by human economic activity, with an area of at least 500 km² (50,000 ha) and a minimal width of 10 km.

⁸This indicator is disabled for companies that have no suppliers.



Deforestation and biodiversity

- 20/97 (21%) companies have a clear commitment to **zero conversion of natural forests** and only 11 companies extend this commitment to **all their sourcing**.
- Only 12/20 companies with a zero conversion commitment report having a **system to monitor deforestation**, and just seven have **published deforestation figures** in the past two years
- 11/74⁹ (15%) companies have a clear commitment to minimise the impact of **logging roads**.
- 40/97 companies (41%) companies have a clear commitment to **biodiversity conservation**.
- Only 30/88¹⁰ (34%) companies that control land provide some examples of **species or habitat conservation management** on their concessions.
- Just 13/88¹⁰ (15%) companies are implementing a **landscape approach** to biodiversity conservation.



HCV, HCS and impact assessments

- Only 18/88¹⁰ (19%) companies have a commitment to conduct **High Conservation Value (HCV) assessments** for all new development and planting. 15/91¹¹ (18%) companies, including traders and producers that have suppliers extend this commitment to all sourcing.
- 10/88¹⁰ (11%) companies make all their **HCV assessment reports publicly available**.
- 18/97 (18%) companies have a clear commitment to **conduct Social and Environmental Impact Assessments (SEIAs)** for all new development and planting.



Soils, fire and GHG emissions

- 12/88¹⁰ (14%) companies commit to **best management practices for soils and/or peat**.
- Only 14/74⁹ (19%) companies have a commitment to use **reduced impact logging (RIL)** techniques across all their operations.
- 18/88¹⁰ (20%) companies provide evidence of undertaking both **fire monitoring and management** activities.
- Just 5/90¹² (6%) 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

- 5/46 (11%) companies with pulp or paper mills have a **time-bound commitment to improve water use**, while four (9%) are reporting progress towards their water use commitment.
- Just 14/88¹⁰ (16%) companies have a commitment to **protect natural waterways through using buffer or riparian zones**.

⁹ This indicator is disabled for companies that do not control natural forests for wood/wood fibre production.

¹⁰ This indicator is disabled for companies that do not control natural forests or plantations.

¹¹ This indicator is disabled for companies that have no suppliers.

¹² This indicator is disabled if a company has no landbank or processing facilities.



Community, land and labour rights

- 49/97 (51%) companies have a commitment to **respect human rights**, while 45/91 (49%) companies that have suppliers extend this to all sourcing.
- 47/97 (48%) companies are committed to respect **indigenous and local communities' rights**, but just 12/97 (12%) have a full commitment to obtain **free, prior and informed consent (FPIC)** prior to all new developments.
- 47/97 (48%) companies clearly commit to **all eight fundamental International Labour Organization (ILO) Conventions**.¹³
- 25/97 (26%) companies state that they are **paying minimum wage** to all their workers however only nine (9%) companies provide evidence of this.



Certification standards

- 28/88¹⁴ (32%) companies have **more than 75% of their area** verified as being in legal compliance by a third party. Just 8/91¹⁵ that have suppliers (9%) report any of their supply as being verified legal by a third party.
- Only 13/88¹⁴ (15%) companies have more than 75% of their landbank **Forest Stewardship Council (FSC) Forest Management (FM) certified** and only 5/88 (6%) companies are 100% certified.
- 9/91¹⁵ (10%) companies have a commitment to only source wood or wood fibre that meets **FSC Controlled Wood** requirements.



Smallholders and suppliers

- 11/75¹⁶ (15%) companies have a programme to **support outgrower smallholders**, but only four (5%) provide details of how many outgrowers are supported.
- Only 19/91¹⁵ (21%) companies report they have a process for prioritising, assessing and/or **engaging suppliers on compliance with their policy and/or legal requirements**.
- 12/91¹⁵ (13%) companies report the **number of suppliers that they have assessed or engaged**.



Governance and grievances

- 30/97 (31%) companies have a clear commitment to **ethical conduct** and the prohibition of corruption.
- 17/97 (218%) companies have a **grievance procedure that is open to both internal and external stakeholders** such as employees and local communities.
- 8/97 (8%) companies report some **details of grievances**, but just four (4%) provide comprehensive details of the grievances reported to them and their resolution.

¹³ 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).

¹⁴ This indicator is disabled for companies that do not control natural forests or plantations.

¹⁵ This indicator is disabled for companies that have no suppliers.

¹⁶ This indicator is disabled if a company has no outgrower smallholders.



July 2019 transparency scorecard: timber and pulp producers

Company	Score	Company	Score
Africa Sustainable Investment (ASI)	0%	Groupe SEFAC	15.7%
AFRIWOOD Industrie	4.7%	Integra Group	37.2%
Agra Bareksa	0%	Interholco AG	94.7%
Alpi	14.6%	International Paper	34.3%
AMCEL	16.9%	Jiangsu High Hope International Group	10.5%
APP (Asia Pulp and Paper Group)	74.4%	Jiangsu Wanlin Modern Logistics Co Ltd	1.8%
APP China Group Ltd	33.6%	Kayu Lapis Indonesia	6.6%
APRIL Group	73.5%	KHLL Forestry SA	2.5%
Arauco	48.4%	Kimbakala et Cie	0.7%
Asia Congo Industries Limited (ACI)	3.3%	Klabin SA	78.5%
Beijing New Building Material Group (BNBM Group) Co., Ltd.	10.5%	Korindo	40.2%
Bois et Scierie de l'Ogooué (BSO)	0.8%	Likouala Timber	11.7%
BPL (Bois et Placages de Lopola)	1.9%	Maderacre	67.3%
Bracell	54.3%	Maderera Bozovich	21.9%
Bumi Teknokultura Unggul Tbk (BTEK)	4.4%	Marubeni	52.6%
Cameroon United Forests (CUF)	18%	Ningbo ND Import Co. Ltd	0%
CENIBRA	56.2%	Oji Holdings	44.6%
China Forestry Group Corporation	9.4%	Olam International Ltd	77.9%
CIBN	0.7%	Pallisco-CIFM	42.5%
Cikel Group	15.7%	Peng Xin	0.8%
Compagnie Dan Gabon (CDG)	0.8%	Precious Woods Holding AG	77.4%
Compagnie des Bois du Gabon (CBG)	67.5%	Priceworth International	12.6%
Congo Dejia Wood Industry	1.5%	PT Adindo Foresta Indonesia Tbk	0%
Corà Domenico & Figli	11.7%	PT Alas Kusuma Group	5.9%
Dino & Fils	3.5%	Rain Forest Management (RFM)	8.1%
Duratex SA	65.6%	Rimbunan Hijau (RH) Group	9.5%
Eldorado Brasil Celulose SA	51.3%	Rougier Group	30.9%
Empresas CMPC	42.2%	SAF (Société d'Aménagement et d'Exploitation des Forêts)	0%
Fipcam	7.3%	Samling Group	16.1%
Gabon Wood Industries (GWI)	1.3%	SEEF (Société équatoriale d'exploitation forestière)	0.8%
Golden Pharos Bhd	25.2%	SEFECCAM - SIENCAM	3.7%
Greenheart Group Ltd	17.5%	SEFYD (Société d'Exploitation Forestière Yuan Dong)	7.8%
Groupe Blattner Elwyn	3.8%	Shandong Longsheng Import And Export Co., Ltd.	1.4%
Groupe Decolvenaere (GDC)	15.4%	Shanghai Sen Lian Timber Industrial Development Co. Ltd.	2.1%
Groupe Fokou	1.6%	Shin Yang	18.6%

Company	Score	Company	Score
Sicofor (Sino-Congo-Forest)	1.9%	Toba Pulp Lestari Tbk PT	32.9%
SIFCO (Société industrielle et forestière du Congo)	0.7%	Tranchivoire	8.8%
SIPAM	1.1%	Transport Bois Négoce International (TBNI)	0.8%
SLJ Global Tbk	15.4%	Veracel	62.9%
Société Industrielle de Mbang (SIM)	3.8%	Vicwood Group	8.2%
SODEFOR	11.5%	Wang Sam Resources & Trading Company	0.7%
Sodinaf (Société de distribution nouvelle d'Afrique)	0.7%	Wenzhou Timber Group Company Ltd	1.3%
SOFIA (Société Forestière et Industrielle d'Abal)	0.7%	Wijma	11.1%
SOMIVAB	11.8%	Woodbois	69.4%
Sumec International Technology Trade Co., Ltd.	0%	WTK Holdings Bhd	15.9%
Sumitomo Forestry Co Ltd	41.3%	Xiamen Xindeco Ltd	1.8%
Suzano S.A.	52.1%	YiHua Life	7%
TA ANN Holdings Bhd	23.2%	Zhejiang Materials Industry Senhua Group Co., Ltd.	0%
Taman	0.7%		

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 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

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.

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