

 **SPOTT**

a ZSL conservation initiative




ANNUAL REPORT 2022

 **ZSL**

CONTENTS

Foreword	2
Engagement and disclosure	3
SPOTT in numbers	4
SPOTT's impact	5
Natural Rubber Assessments 2022	7
Timber and Pulp Assessments 2022	11
Palm Oil Assessments 2022	16
Disclosure against PRI "Investor expectation on sustainable palm oil"	21
Sustainability in the natural rubber supply chain: getting the basics right	22
Biodiversity conservation and communities in forestry	23
Oil palm and tropical peat – company commitments and reporting in 2021	24
Committed to sustainable palm oil? 3rd edition	25
SPOTT Training Hub: Thematic Guide Series	26
Sustainable business and finance policy: broadening our engagement	27



SPOTT is a free, online platform supporting sustainable production, trade and financing in forest-risk commodity sectors. By tracking transparency, SPOTT incentivises the implementation of corporate best practice.

SPOTT assesses producers, processors and traders on their public disclosure regarding their organisation, policies and practices related to environmental, social and governance (ESG) issues. SPOTT scores tropical forestry, palm oil and natural rubber companies annually against over 100 sector-specific indicators to benchmark their progress over time.

Investors, buyers and other key influencers can use SPOTT assessments to inform stakeholder engagement, manage ESG risk, and increase transparency across multiple industries.

SPOTT is a conservation initiative developed by ZSL (Zoological Society of London).

This reports covers activities related to SPOTT, and broader sustainable business and finance activities, during 2022.

FOREWORD



2022 was a landmark year for nature, culminating with the adoption of the Kunming-Montreal Global Biodiversity Framework, a guiding agreement to halt and reverse nature loss by 2030.

Among its 23 global targets, the requirement for companies and financial institutions to monitor, assess and disclose their risks, dependencies and impacts on biodiversity through their operations and supply chains aligns closely with ZSL's approach: that transparency is the first step towards a sustainable future for forest-risk commodities.

Through continued SPOTT assessments, a wide range of analytical reports and training materials, and contributions to policy processes, we endeavoured to accelerate and amplify our work to leverage the influence of financial institutions and engage with stakeholders across forest-risk commodity supply chains.

In January we published an introductory guide to sustainability in the natural rubber supply chain – a sector with a large environmental impact, complex supply chain, and a presence in a multitude of everyday household products. In February we outlined the links between conservation and communities in the forestry sector and in November shone the spotlight on oil palm and tropical peat.

We have substantially increased the resources available through the SPOTT Training Hub to share capacity across all supply chain stakeholders. Additions include further Thematic Guides to the Living Wage and Gender, as well as translations of Thematic Guides, Financial Institution Case Studies, and our Getting Started with SPOTT guide into several languages.

We undertook assessments of 230 companies across natural rubber, timber and pulp, and palm oil sectors, with the addition of 15 key rubber manufacturers, such as major tyre companies Michelin, Pirelli and Hankook. Through our engagements with companies during the assessment process, we were able to directly increase and improve company disclosure across a wide range of environmental, social and governance issues (see p.3 for a snapshot of these).

Against the backdrop of major international conferences on climate change and biodiversity, we also began to increase our engagement with policy and legislative processes. We responded to a consultation from Defra on implementing due diligence on forest risk commodities, submitted evidence to the Environmental Audit Committee in relation to sustainable timber and deforestation, and added our voice to the call to include natural rubber within the scope of the EU Deforestation Regulation (see p.25).

2023 is the year the international community and private sector must urgently increase ambition and put commitments into action, and we will continue our work to drive change and support responsible investment, sustainable commodities, and biodiversity conservation.

Oliver Cupit, Sustainable Business and Finance Programme Manager,
ZOOLOGICAL SOCIETY OF LONDON



90

companies **engaged with ZSL** during the assessment process in 2022, leading directly to at least

25 new disclosures

across a range of environmental, social and governance issues

(see issues highlighted by commodity in circles to the right)

19

Timber & pulp companies

Biodiversity policy

Living wage

Intact Forest Landscapes

Maps of Forest Management Units

Climate Risks Assessment

Personal Protective Equipment

Smallholder engagement

Living wage

Greenhouse gas intensity

17

Natural rubber companies

Sustainability Report

Greenhouse Gases

Water use

Sustainable Development Goals

Fire alerts

Tax policy

54

Palm oil companies

Zero deforestation

High Conservation Value assessors

Landbank

SPOTT IN NUMBERS

3 commodities



21.7%
Timber and pulp
average 2022
(100 companies)

39.3%
Natural rubber
average 2022
(30 companies)

230
companies

45.4%
Palm oil
average 2022
(100 companies)

1200+
assessments completed
since SPOTT began in 2014



166,000+
data points in the SPOTT database



54,000,000 ha
controlled by SPOTT-assessed companies



22
members in the

 **SPOTT**
SUPPORTER NETWORK

SPOTT'S IMPACT

Engagement

In 2022, 90 companies took the opportunity to provide feedback on their draft assessments during the consultation step of the assessment cycle, leading directly to at least 25 new disclosures across a wide range of ESG issues (see p.3).

Average scores were notably higher for those that engaged with us, both before engagement – suggesting those already motivated to improve their sustainability disclosures are more likely to actively engage with SPOTT assessment – and afterwards, with average increases of +7.8 percentage points for natural rubber companies, +3.3 for timber and pulp companies, and +4.2 palm oil companies due to improvements in transparency.

Ongoing, long-term engagement is a slow process which effects meaningful change by engaging with companies for the first time, raising their awareness and ambition around ESG transparency, and supporting companies to take the first steps towards improving their practices, policies, and disclosure. This often doesn't translate quickly into large score changes but helps lay a foundation upon which to build over time. This has been particularly effective in the Congo Basin, where our Cameroon in-country specialist, Armstrong Mba, held face-to-face and online meetings with 27 companies in 2022.

Training

A lack of in-house knowledge and expertise on soft commodity-related ESG issues can be a major barrier to financial institutions engaging with companies on these issues.

To address this knowledge gap, we developed a 6-session training course in 2021 to help FIs better integrate biodiversity and social considerations into their decision-making processes.

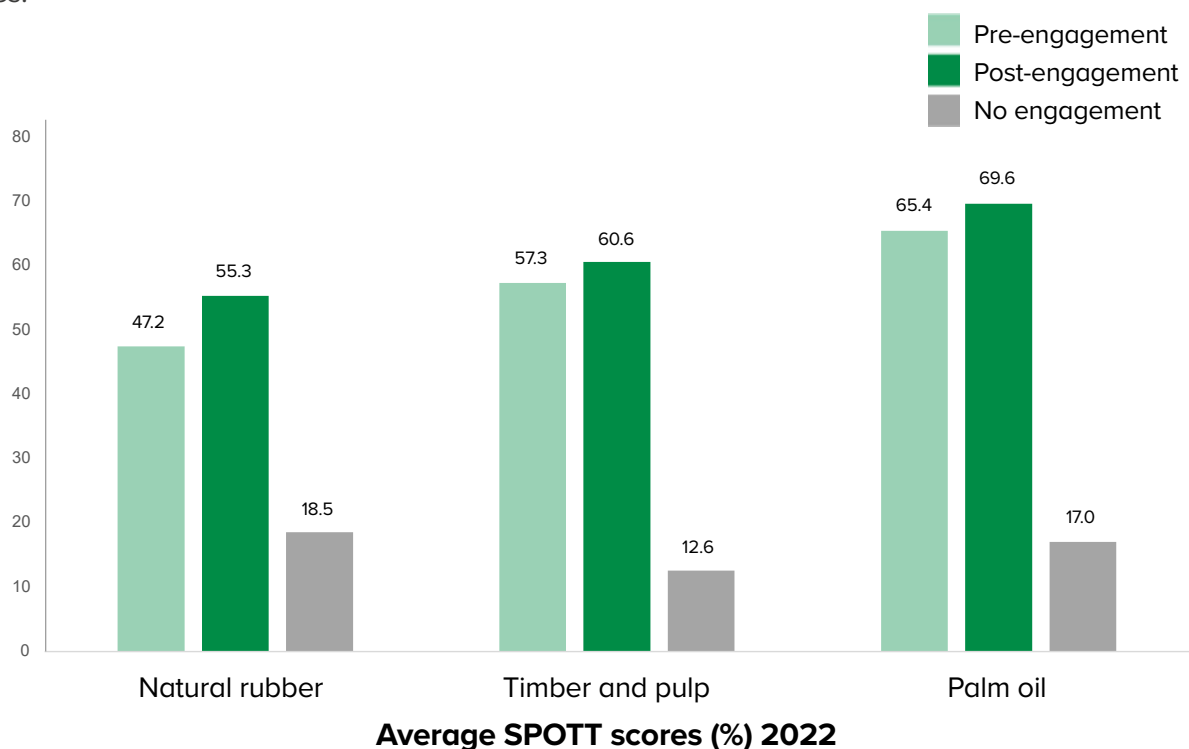
The course begins with a high-level introduction to the relationship between the finance sector and biodiversity, before moving into deep dive sessions on each of the three commodities assessed on SPOTT, and a final session looking at how to push beyond policies to monitor for action on the ground. There are opportunities for discussion throughout, as well as active learning through group exercises such as analysis of a company's No Deforestation, No Peat, No Exploitation (NDPE) policy.

ZSL piloted the course with two financial institutions in 2021, and built on feedback to deliver full training to 23 participants from three further FIs in 2022: PGGM, Norges Bank, and Marshall Wace. Demand for training continues to grow, and we are exploring ways to develop this further in 2023.

SPOTT user numbers

SPOTT website user numbers increased by 10% in 2022 with over 42,500 users visiting the site, viewing pages more than 285,700 times.

By the end of 2022, a total of 2,285 users from a range of stakeholder groups including commodity companies and financial institutions had registered for a free Dashboard account, enabling them to access a greater range of ways to explore and analyse SPOTT data.





62%

**of companies assessed
in 2022 had a clear
commitment to
zero deforestation**

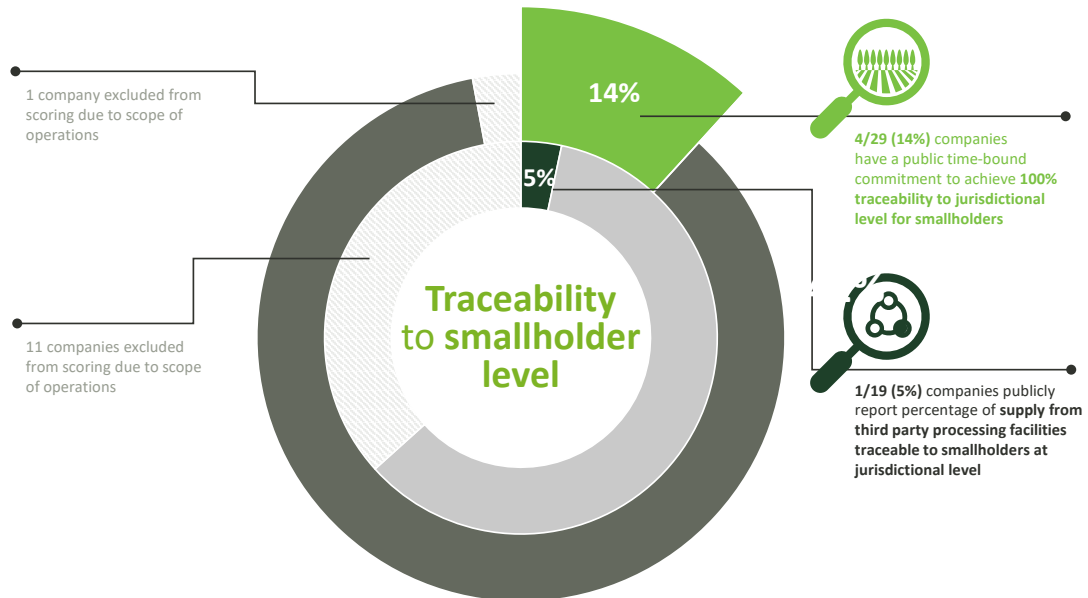
NATURAL RUBBER ASSESSMENTS 2022

New research reveals gaps in sustainability reporting for the world's biggest tyre brands

Thirteen leading rubber manufacturers including Michelin, Pirelli and Top Glove, were ranked in the 2022 SPOTT assessments.

The manufacturers were among 30 natural rubber companies, including producers and processors assessed on SPOTT.

ZSL's research showed only 14% (4/29) of companies commit to trace all rubber sourced from smallholders (small scale farmers) back to its place of origin by a target year.



- The average score of companies is 39.3% in March 2022, compared to 41.2% during the last assessment of natural rubber companies in March 2021.
- 4/15 companies (26.7%) assessed in 2021 saw an increase in their scores in 2022 – the average change in score was +4.1 percentage points. N.B. the SPOTT indicator framework grew from 123 to 181 indicators in 2022.
- 11/15 companies (73.3%) assessed in 2021 saw a decrease in their scores in 2022 – the average change in score was -5.1 percentage points.
- 15 companies were assessed for the first time in 2022, 13/15 were manufacturers of rubber products. The average score of manufacturers is 41.9% compared to 37.4% for producers and processors.
- The average score of Global Platform for Sustainable Natural Rubber (GPSNR) members (16 companies), including companies with subsidiary or parent company members, is 51.5% vs. 25.5% for non-GPSNR members (14 companies).

	Average total score:	39.3%
Sustainability policy and leadership	57.6%	
Landbank, maps and traceability	28.1%	
Certification standards	30.0%	
Deforestation and biodiversity	31.6%	
HCV, HCS and impact assessment	37.6%	
Peat, fire and GHG emissions	39.2%	
Water, chemical and pest management	30.4%	
Community, land and labour rights	54.5%	
Smallholders and suppliers	23.4%	
Governance and grievances	54.0%	

KEY FINDINGS FROM THE 2022 NATURAL RUBBER ASSESSMENTS



Sustainability policy and leadership

- 12/18 companies (66.7%) have put in place clear sustainability policies that apply to all their operations.
- 18/29 companies (62.1%) have a sustainability policy that applies to all their suppliers.
- 17/30 companies (56.7%) have a high-level position of responsibility for sustainability.
- 10/30 companies (33.3%) are members of external industry schemes or initiatives to improve the sustainability of natural rubber production.
- 5/30 companies (16.7%) have conducted and published an assessment of climate-related risks.



Landbank, maps and traceability

- 2/9 companies (22.2%) publicly list the countries they are sourcing from.
- 11/18 companies (61.1%) report the area managed for natural rubber, totalling around 1.53 million hectares.
- 6/18 companies (33.3%) report their areas set aside for conservation or High Conservation Value (HCV) areas, totalling more than 0.2 million hectares.
- 0/29 companies publicly list the jurisdictions where they are sourcing from smallholders.
- 0/19 companies publish the names and locations of all third party supplying processing facilities.
- 4/29 companies (13.8%) have a time-bound commitment to achieve 100% traceability to jurisdictional level for smallholders.
- 1/19 companies (5.3%) reports the percentage of supply from third party processing facilities traceable to smallholders at jurisdictional level.



Certification standards

- 16/30 companies (53.3%) are members, or a subsidiary or parent company is a member, of the Global Platform for Sustainable Natural Rubber (GPSNR).
- 1/18 companies (5.6%) has certified some of its estates under the Forest Stewardship Council (FSC) Forest Management (FM) scheme.
- 0/19 companies report the percentage of all natural rubber products handled/traded/processed (tonnes) that is FSC-certified.
- 1/15 companies (6.7%) has certified some of its estates under the Programme for the Endorsement of Forest Certification (PEFC) scheme for Forest Management (FM).



Deforestation and biodiversity

- 11/18 companies (61.1%) have a clear commitment to zero deforestation.
- 18/29 companies (62.1%) have a zero deforestation commitment that applies to their suppliers.
- 3/18 companies (16.7%) provide strong evidence of monitoring deforestation.
- 4/29 companies (13.8%) provide evidence of monitoring deforestation in supplier operations.
- 6/30 companies (20.0%) report they are implementing a landscape or jurisdictional approach.
- 7/18 companies (38.9%) report multiple examples of species and/or habitat conservation management activities.

KEY FINDINGS FROM THE 2022 NATURAL RUBBER ASSESSMENTS



HCV, HCS and impact assessments

- 11/18 companies (61.1%) commit to conduct High Conservation Value (HCV) assessments for all new development.
- 15/29 companies (51.7%) have a commitment to conduct HCV assessments that applies to all suppliers.
- 2/12 companies (16.7%) have undertaken HCV assessments for all new plantings since 1 April 2019.
- 7/18 companies (38.9%) have a commitment to the High Carbon Stock (HCS) Approach.
- 14/29 companies (48.3%) have a commitment to the HCS Approach that applies to all their suppliers.
- 2/14 companies (14.3%) make some or all of their HCS Assessments publicly available.
- 2/30 companies (6.7%) have undertaken social and environmental impact assessments and have made associated management and monitoring plans publicly available.



Soils, fire and GHG emissions

- 5/18 companies (27.8%) have a clear commitment to no planting on peat of any depth.
- 13/29 companies (44.8%) have a commitment to no planting on peat of any depth that applies to all suppliers.
- 5/18 companies (27.8%) report evidence that their landbank includes peat.
- 11/18 companies (61.6%) have a clear commitment to zero burning.
- 15/29 companies (51.7%) have a commitment to zero burning that applies to all suppliers.
- 5/18 companies (27.8%) disclose clear information relating to monitoring and managing fires.
- 0/29 companies disclose clear information relating to the number of hotspots/fires in supplier operations/jurisdictions.
- 8/30 companies (26.7%) have a time-bound commitment to reduce greenhouse gas (GHG) emissions intensity.
- 6/30 companies (20.0%) report a reduction in their GHG emissions intensity over time.



Water, chemical and pest management

- 6/30 companies (20.0%) have a time-bound commitment to improve water use intensity.
- 4/30 companies (13.3%) report making progress towards their water use intensity commitment.
- 3/29 companies (10.3%) have a time-bound commitment to improve water quality.
- 4/29 companies (13.8%) report making progress towards their water quality commitment.
- 12/29 companies (41.4%) report evidence of reducing odours from natural rubber processing or manufacturing facilities.
- 1/18 companies (5.6%) reports reductions in chemical and pesticide and fertiliser usage.

KEY FINDINGS FROM THE 2022 NATURAL RUBBER ASSESSMENTS



Community, land and labour rights

- 19/30 companies (63.3%) have a public commitment to the Universal Declaration of Human Rights or equivalent.
- 14/22 companies (63.6%) commit to the principle of free, prior and informed consent (FPIC).
- 17/29 companies (58.6%) have a commitment to FPIC that applies to all suppliers.
- 13/15 companies (86.7%) have a commitment to provide essential community services and facilities.
- 0/18 companies report they supports the inclusion of women across their operations, including addressing barriers faced.
- 16/30 companies (53.3%) commit to the Fundamental ILO Conventions or Free and Fair Labour Principles.
- 6/30 companies (20.0%) commit to paying a living wage.
- 0/30 companies publish the ratio of living wages to local minimum wages paid across their operations.



Smallholders and suppliers

- 17/29 companies (58.6%) commit to support smallholders.
- 5/29 companies (17.2%) report the percentage of natural rubber supply from smallholders.
- 3/24 companies (12.5%) clearly report they have, or support a programme to support, scheme smallholders/outgrowers in the supply chain.
- 4/28 companies (14.3%) clearly report they have, or support a programme to support independent smallholders in the supply chain.
- 4/29 companies (13.8%) report a clear process for assessing and engaging smallholder suppliers on compliance with company's policy and/or legal requirements.
- 2/29 companies (6.9%) report the number or percentage of smallholder suppliers engaged on compliance with company's policy and/or legal requirements.



Governance and grievances

- 24/30 companies (80.0%) have commitments to both ethical conduct and prohibition of corruption.
- 17/30 companies (56.7%) have a grievance or complaints system open to all stakeholders.
- 3/30 companies (10.0%) have disclosed details of complaints and grievances.

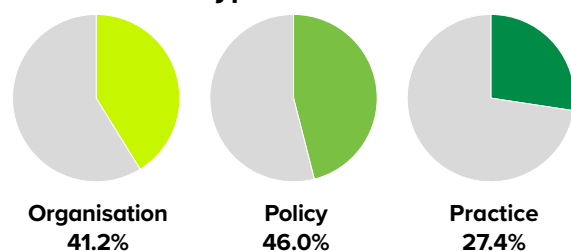
SPOTT assesses the transparency and content of company disclosure regarding:

Organisation: operations, assets and management structure

Policy: policies, commitments and processes to guide operations and practices on the ground

Practice: activities undertaken to actively progress towards targets, and implement policies and commitments on the ground

Average score by disclosure type in 2022



TIMBER AND PULP ASSESSMENTS 2022

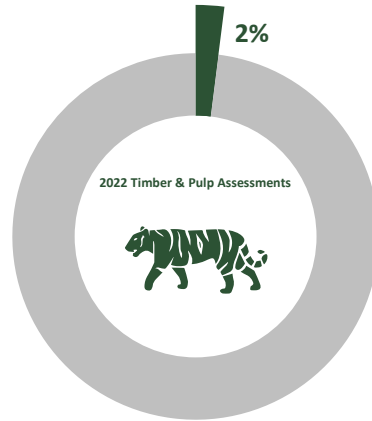
Sustainability experts call on timber and pulp sector to adopt stronger policies to halt biodiversity decline

Assessments led by ZSL revealed that only 2% (2/90) of the world’s leading tropical timber and pulp producers have a comprehensive biodiversity policy.

Interholco AG and APRIL Group were the only two companies with policies which include measurable targets for tree coverage, habitat restoration and protection of local wildlife populations.

However, the SPOTT team cautions that the implementation of these policies on the ground requires monitoring and verification to ensure they are effective.

Robust policies like these provide a critical first step for companies towards meeting global sustainability targets, such as those set in the Kunming-Montreal Global Biodiversity Framework.



2/90 companies have published a comprehensive biodiversity policy

- The average score of companies is 21.7% in August 2022, compared to 23.6% during the last assessment of timber and pulp companies in July 2021.
- 30/96 companies (31.3%) assessed in 2021 saw an increase in their scores in 2022 – the average change in score was +1.8 percentage points.
- 55/96 companies (57.3%) assessed in 2021 saw a decrease in their scores in 2022 – the average change in score was -3.9 percentage points.
- The average score of producers 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 45.4% compared to 6.6% for producers lacking such certification

	Average total score:	21.7%
Sustainability policy and leadership	24.8%	
Landbank, maps and traceability	26.3%	
Certification standards	14.9%	
Deforestation and biodiversity	19.1%	
HCV, HCS and impact assessment	19.5%	
Peat, fire and GHG emissions	16.5%	
Water, chemical and pest management	20.5%	
Community, land and labour rights	25.4%	
Smallholders and suppliers	14.4%	
Governance and grievances	26.6%	

KEY FINDINGS FROM THE 2022 TIMBER AND PULP ASSESSMENTS



Sustainability policy and leadership

- 33/90 companies (3.7%) have put in place clear sustainability policies that apply to all their operations.
- 13/94 companies (13.8%) have a sustainability policy that applies to all their suppliers.
- 24/100 companies (24.0%) have a high-level position (excluding board members) with responsibility for sustainability.
- 19/91 companies (20.9%) have one or more board members with responsibility for sustainability.
- 33/100 companies (33.0%) have published a sustainability report in the last two years.
- 8/100 companies (8.0%) have conducted and published an assessment of climate-related risks.



Landbank, maps and traceability

- 13/78 companies (16.7%) disclose the total area of natural forest they control for wood/wood fibre production.
- 15/5 companies (23.1%) clearly disclose their total area of forest plantation.
- 20/90 companies (22.2%) report information on their areas set aside for conservation, including of High Conservation Value (HCV) areas.
- 4/76 companies (5.3%) disclose the area of intact forest landscape* found within all their operations.
- 17/90 companies (18.9%) have made geo-referenced maps available for all their Forest Management Units (FMUs).
- 12/94 companies (12.8%) have achieved 100% traceability to country level. Only 6/94 companies (6.4%) have achieved 100% traceability to FMU level.

* Can 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.



Certification standards

- 23/90 companies (25.6%) have more than 75% of their area verified as being in legal compliance by a third party.
- 12/94 companies (12.8%) that have suppliers report any of their supply as being verified legal by a third party.
- 4/90 companies (4.4%) have more than 75% of their landbank Forest Stewardship Council (FSC) Forest Management (FM) certified and only 9/90 companies (10.0%) are 100% certified.
- 13/94 companies (13.8%) have a commitment to only source wood or wood fibre that meets FSC Controlled Wood requirements.

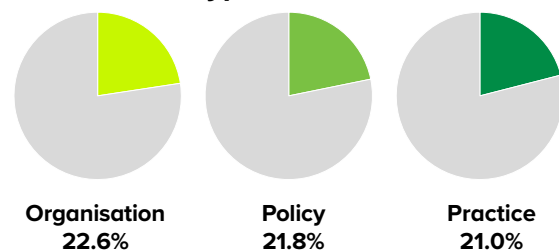
SPOTT assesses the transparency and content of company disclosure regarding:

Organisation: operations, assets and management structure

Policy: policies, commitments and processes to guide operations and practices on the ground

Practice: activities undertaken to actively progress towards targets, and implement policies and commitments on the ground

Average score by disclosure type in 2022



KEY FINDINGS FROM THE 2022 TIMBER AND PULP ASSESSMENTS



Deforestation and biodiversity

- 5/90 companies (5.6%) have a clear commitment to zero conversion of natural ecosystems. 4/94 companies (4.3%) commit all their suppliers to the same standard.
- 48/90 companies (53.3%) have a clear commitment to zero deforestation. 12/94 companies (12.8%) commit all their suppliers to the same standard.
- 8/90 companies (8.9%) report having a comprehensive system to monitor deforestation or ecosystem conversion and just 6/90 companies (6.7%) have published deforestation figures within their own operations in the past two years.
- 3/94 companies (3.2%) report having a comprehensive system to monitor deforestation or ecosystem conversion within their suppliers' operations, and just 1/94 (1.1%) has published deforestation figures within its suppliers' operations in the past two years.
- 4/100 companies (4.0%) report implementing a landscape approach.
- 2/90 companies (2.2%) have published a Biodiversity Policy which extends beyond conservation set-asides and includes clear time-bound targets to measure the impact of the policy.
- 14/90 companies (15.6%) have identified species of conservation concern, referencing international or national systems of species classification.
- 39/90 companies (43.0%) that control land provide some examples of species or habitat conservation management on its concessions.
- 19/90 companies (21.1%) commit to protect forest areas from illegal activities. 7/90 companies (7.4%) commit all their suppliers to the same standard.
- 39/90 companies (43.0%) report multiple examples of how they are protecting forest areas from illegal activities.



HCV, HCS and impact assessments

- 50/90 companies (55.6%) have a commitment to conduct High Conservation Value (HCV) assessments for all new development and planting. 9/94 companies (9.6%) including traders and producers that have suppliers extend this commitment to all sourcing.
- 16/90 companies (17.8%) make all their HCV assessment reports publicly available. 15/90 companies (16.7%) make their HCV management and monitoring plans available.
- 5/65 companies (7.7%) have a commitment to the High Carbon Stock (HCS) Approach. 6/88 companies (6.8%) including traders and producers that have suppliers extend this commitment to all sourcing.
- 1/59 companies (1.7%) has High Carbon Stock (HCS) assessments publicly available. 1/59 companies (1.7%) has had a peer review of all High Carbon Stock (HCS) assessments undertaken since April 2015 by the HCSA Quality Assurance Process.
- 24/94 companies (25.5%) have a clear commitment to conduct Social and Environmental Impact Assessments (SEIAs) for all new development and planting.
- 12/94 companies (12.8%) have at least one SEIA assessment or summary report publicly available.

KEY FINDINGS FROM THE 2022 TIMBER AND PULP ASSESSMENTS



Soils, fire and GHG emissions

- 12/90 companies (13.3%) commit to best management practices for soils and/or peat.
- 18/78 companies (23.1%) have a commitment to use reduced impact logging (RIL) techniques across all their operations.
- 12/94 companies (12.8%) have a time-bound commitment to reduce greenhouse gas (GHG) emissions intensity.
- 11/100 companies (11.0%) report their GHG emissions intensity.
- 10/94 companies (10.6%) report a reduction in their GHG emissions intensity over time.



Water, chemical and pest management

- 7/49 companies (14.3%) with pulp or paper mills have a time-bound commitment to improve water use intensity, and 4/49 (8.2%) are reporting progress towards their water use commitment.
- 22/90 companies (24.4%) have a commitment to protect natural waterways through using buffer or riparian zones.
- 39/90 companies (43%) report implementing an integrated pest management (IPM) approach.



Community, land and labour rights

- 47/94 companies (50.0%) have a commitment to respect Indigenous and local communities' rights.
- 16/94 companies (17.0%) have a commitment to respect legal and customary land tenure rights.
- 25/94 companies (26.6%) have a full commitment to obtain free, prior and informed consent (FPIC) prior to all new developments.
- 12/94 companies (12.8%) report examples of local stakeholder engagement to prevent conflicts.
- 11/78 companies (14.1%) report a commitment to enable sustainable use of non-timber forest products (NTFPs) by local communities.
- 24/94 companies (25.5%) have a commitment to provide business/work opportunities for local communities.



Smallholders and suppliers

- 9/82 companies (11.0%) have a programme to support outgrower smallholders, and provide details of how many outgrowers are supported.
- 17/94 companies (18.1%) report they have a process for prioritising, assessing and/or engaging suppliers on compliance with their policy and/or legal requirements.
- 12/94 companies (12.8%) report the number of suppliers that they have assessed or engaged.



Governance and grievances

- 33/100 companies (33.0%) have a clear commitment to ethical conduct and the prohibition of corruption.
- 21/100 companies (21.0%) have a grievance procedure that is open to both internal and external stakeholders such as employees and local communities.
- 6/100 companies (6.0%) report some details of grievances.



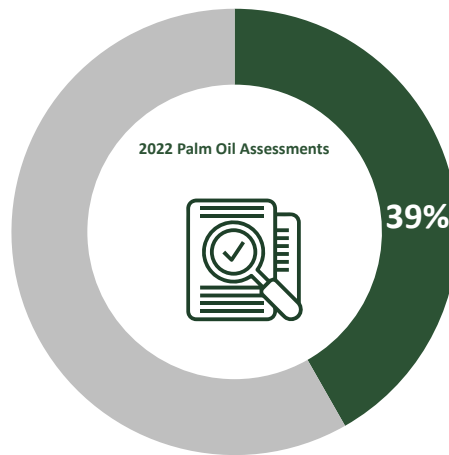
Just **5/90**
timber and pulp companies
assessed in 2022 have a
clear commitment to **zero**
conversion of natural
ecosystems

PALM OIL ASSESSMENTS 2022

ZSL research shows palm oil industry must increase transparency to combat deforestation

The 2022 SPOTT assessment found that while 39% of companies report a clear process to assess suppliers, the remaining 61% have limited or no public commitments for evaluating the risk of their suppliers being associated with habitat destruction and biodiversity loss – vital to ensuring a sustainable future for palm oil.

The SPOTT analysis also found only 58% of companies have a public zero-deforestation commitment that applies to all their suppliers, and just 12% have disclosed a time-bound action plan for suppliers to become compliant with sustainable palm oil sourcing commitments.



38/98 (39%) companies report a clear process to **prioritise, assess and/or engage suppliers on compliance** with company policy or legal requirements

- The average score of companies is 45.4% in November 2022, compared to 42.8% during the last assessment of palm oil companies in November 2021.
- 65/99 companies (65.7%) assessed in 2021 saw an increase in their scores in 2022 – the average change in score was +6.2 percentage points.
- 30/99 companies (30.3%) assessed in 2021 saw a decrease in their scores in 2022 – the average change in score was -1.9 percentage points.
- The average score of Roundtable on Sustainable Palm Oil (RSPO) members (67 companies), including companies with subsidiary RSPO members, is 59.8% vs. 16.2% for non-RSPO members (33 companies).

Average total score: 45.4%



KEY FINDINGS FROM THE 2022 PALM OIL ASSESSMENTS



Sustainability policy and leadership

- 59/79 companies (74.7%) have put in place clear sustainability policies that apply to all their operations.
- 60/98 companies (61.2%) have a sustainability policy that applies to all their suppliers.
- 46/84 companies (54.8%) have one or more board members with responsibility for sustainability.
- 43/100 companies (43.0%) are members of external industry schemes or initiatives to improve the sustainability of palm oil production.
- 10/100 companies (10.0%) have published a climate risk assessment.



Landbank, maps and traceability

- 65/79 companies (82.2%) report a planted area, totalling more than 6.36 million hectares.
- 54/79 companies (68.4%) report their areas set aside for conservation or High Conservation Value (HCV) areas, totalling more than 1.11 million hectares.
- 24/68 companies (35.3%) that source from third-party supplying mills can trace 100% of their raw materials to the mill of origin.
- 47/68 companies (69.1%) can trace 0% of their raw materials from their supplier mills to the plantation of origin.
- 32/65 companies (49.2%) publish some traceability data at the refinery level.



Certification standards

- 66/100 companies (66.0%) are full members of the RSPO.
- 1/100 companies (1.0%) has subsidiary RSPO members.
- 6/79 companies (7.6%) have 100% of their estates RSPO-certified.
- 35/79 companies (44.3%) have certified some of their estates.
- 17/79 companies (21.5%) have 100% of their mills RSPO-certified.
- 24/79 companies (30.4%) have RSPO-certified some of their mills.
- 43/100 companies (43.0%) are certified under other voluntary certification schemes.



Deforestation and biodiversity

- 57/79 companies (72.2%) have a clear commitment to zero deforestation.
- 4/79 companies (5.1%) have a weak or unclear commitment.
- 57/98 companies (58.2%) have a zero-deforestation commitment that applies to all their suppliers.
- 44/79 companies (55.7%) provide strong evidence of monitoring deforestation.
- 7/79 companies (8.9%) provide some evidence of monitoring deforestation, but which lacks clear methodologies or timeframes.
- 16/79 companies (20.3%) commit to restore non-compliant deforestation/conversion and specify a cut-off date beyond which deforestation or conversion would not be accepted.
- 19/98 companies (19.4%) have a commitment to restore non-compliant deforestation/conversion that applies to all their suppliers, which includes a cut-off date beyond which deforestation or conversion would not be accepted.
- 25/100 companies (25.0%) report implementing a landscape or jurisdictional approach.
- 1/79 companies (1.3%) has published a Biodiversity Policy which extends beyond conservation set-asides and includes clear time-bounds targets to measure the impacts of the policy.

KEY FINDINGS FROM THE 2022 PALM OIL ASSESSMENTS



HCV, HCS and impact assessments

- 57/79 companies (72.2%) commit to conduct High Conservation Value (HCV) assessments for all new development.
- 53/98 companies (54.1%) have a commitment to conduct HCV assessments that applies to all their suppliers.
- 19/66 companies (28.8%) have undertaken HCV assessments for all estates planted since January 2015.
- 51/79 companies (64.6%) have a commitment to the High Carbon Stock (HCS) Approach.
- 45/98 companies (45.9%) have a commitment to the HCS Approach that applies to all their suppliers.
- 30/96 companies (31.3%) have undertaken social and/or environmental impact assessments (SEIA) and have made associated management and monitoring plans publicly available.



Soils, fire and GHG emissions

- 54/79 companies (68.4%) have a clear commitment to no planting on peat of any depth.
- 5/79 companies (6.3%) have a weak or unclear commitment that fails to specify all depths of peat or does not cover all operations.
- 57/98 companies (58.2%) have a commitment to no planting on peat of any depth that applies to all their suppliers.
- 14/66 companies (21.2%) report evidence that their landbank on peat has not increased.
- 57/79 companies (72.2%) have a clear commitment to zero burning.
- 56/98 companies (57.1%) have a commitment to zero burning that applies to all their suppliers.
- 51/79 companies (64.6%) report clear information relating to monitoring and managing fires.
- 26/96 companies (27.1%) have a time-bound commitment to reduce GHG emissions intensity.
- 21/96 companies (21.9%) report a reduction in their GHG emissions intensity over time.



Water, chemical and pest management

- 24/96 companies (25.0%) have a time-bound commitment to improve water use intensity.
- 26/96 companies (27.1%) report making progress towards their water use intensity commitment.
- 27/96 companies (28.1%) have a time-bound commitment to improve water quality.
- 21/96 companies (21.9%) report making progress towards their water quality commitment.
- 43/79 companies (54.4%) have a commitment to minimise the use of chemicals, including both pesticides and chemical fertilisers.
- 29/98 companies (29.6%) have a commitment to minimise the use of chemicals that applies to all their suppliers.



Community, land and labour rights

- 65/100 companies (65.0%) have a public commitment to the UN Declaration on Human Rights or equivalent.
- 53/98 companies (54.1%) have a commitment to human rights that applies to all their suppliers.
- 58/81 companies (71.6%) commit to the principle of free, prior and informed consent (FPIC).
- 58/98 companies (59.2%) have a commitment to FPIC that applies to all their suppliers.
- 44/79 companies (55.7%) support the inclusion of women across their palm oil operations, including addressing barriers faced.
- 47/100 companies (47.0%) commit to the Fundamental ILO Conventions or Free and Fair Labour Principles.
- 36/98 companies (36.7%) have a commitment to Fundamental ILO Conventions or Free and Fair Labour Principles that applies to all their suppliers.
- 7/100 companies (7.0%) report salary by gender.

KEY FINDINGS FROM THE 2022 PALM OIL ASSESSMENTS



Smallholders and suppliers

- 54/94 companies (57.4%) commit to support both scheme/plasma and independent smallholders.
- 48/93 companies (51.6%) clearly report they have, or support a programme to support, independent smallholders in the supply chain.
- 38/98 companies (38.8%) report a clear process to prioritise, assess and/or engage suppliers on compliance with company policy or legal requirements.
- 13/98 companies (13.3%) report a limited or unclear process to prioritise, assess and/or engage suppliers on compliance with company policy or legal requirements.
- 11/79 companies (14.0%) report having a programme to support own and third-party high-risk mills to become compliant with their sourcing policies, and give examples of the types of support provided.



Governance and grievances

- 71/100 companies (71.0%) have commitments to both ethical conduct and prohibition of corruption.
- 52/98 companies (53.1%) have a commitment to ethical conduct and prohibition of corruption that applies to all their suppliers.
- 59/100 companies (59.0%) report having a whistleblowing procedure.
- 64/100 companies (64.0%) have a grievance or complaints system open to all stakeholders.
- 34/100 companies (34.0%) have disclosed details of complaints and grievances

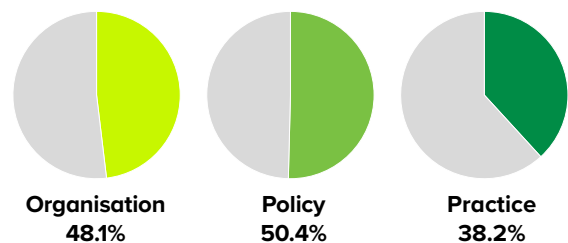
SPOTT assesses the transparency and content of company disclosure regarding:

Organisation: operations, assets and management structure

Policy: policies, commitments and processes to guide operations and practices on the ground

Practice: activities undertaken to actively progress towards targets, and implement policies and commitments on the ground

Average score by disclosure type in 2022





DISCLOSURE AGAINST PRI “INVESTOR EXPECTATIONS ON SUSTAINABLE PALM OIL”

As part of the PRI-coordinated engagement on Sustainable Palm Oil, more than 62 investment organisations with approximately US\$8 trillion in assets under management endorsed a [statement](#) laying out their expectations of companies operating across the palm oil value chain and highlighting their continued support for a sustainable palm oil industry.

During the collaborative engagement, the investors encouraged the companies they invest in to adopt responsible practices, including:

- To become members of the RSPO and apply the RSPO’s Principles and Criteria;
- To adopt and implement a publicly available No Deforestation, No Peat and No Exploitation (NDPE) policy, regardless of their certification status;
- To commit to full traceability of the palm oil they source and supply to the plantation level, and to participate in supply-chainwide transparency efforts by mapping and disclosing their palm oil concession areas;
- To set time-bound plans and regularly report on progress and practices;

Companies associated with unsustainable palm oil face a multitude of risks – operational, financial, regulatory and reputational – and these risks can cascade on to consumer goods companies and retailers further down the supply chain, as well as companies’ financiers.

The “PRI expectations score”, assessing companies against the PRI “Investor Expectations on Sustainable Palm Oil”, is generated by ZSL from a subset of SPOTT indicators. Investors can use this to assess companies against the expectations set out in the Investor Expectation Statement on Sustainable Palm Oil. A full score indicates that the company has key policies and commitments in place aligned with the expectations, but company policies and commitments may not translate into effective implementation on the ground and additional indicators should be used to appreciate a company’s approach in more depth.

Reports for all companies are available on the [SPOTT website](#) or through the [PRI Collaboration Platform](#).

For a more detailed and nuanced view of company disclosures, users are encouraged to review assessments in full on [SPOTT.org](#) and engage with companies and third parties directly. The SPOTT media monitor on each company page may provide some contextual information; however, independent due diligence activities should include measures to assess levels of implementation.



SUSTAINABILITY IN THE NATURAL RUBBER SUPPLY CHAIN: GETTING THE BASICS RIGHT

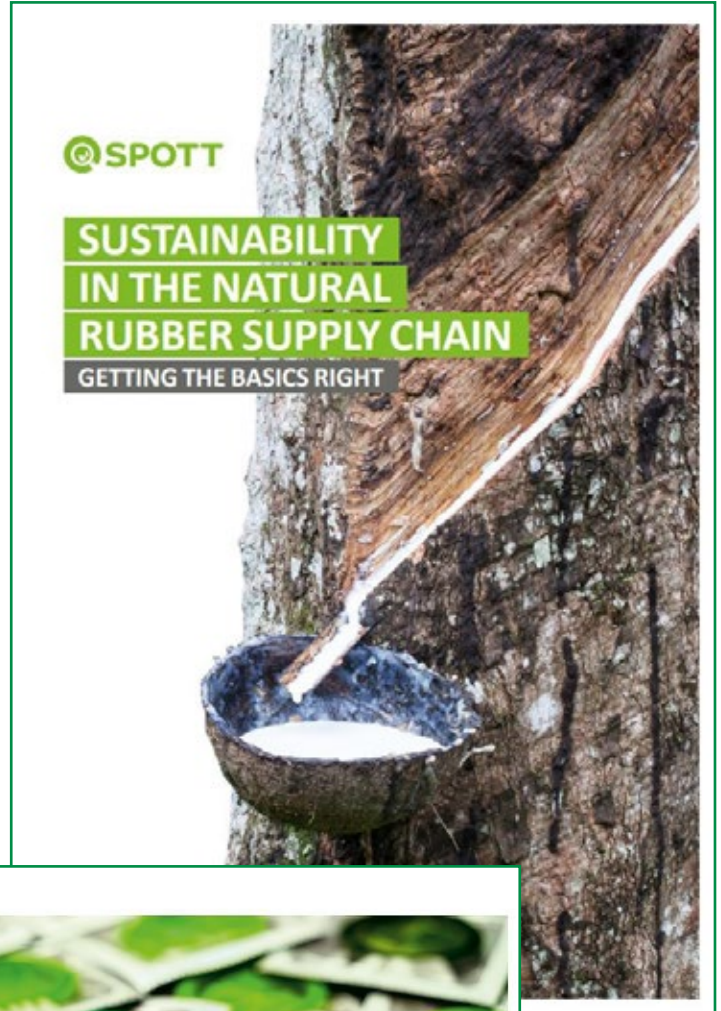
Downstream companies and financial institutions hold the key to driving significant environmental and social changes in the natural rubber industry by committing to and applying sustainable practices and improving sourcing procedures.

Natural rubber is extensively used worldwide for everyday products such as tyres, shoes, footballs, condoms, gloves, sponges, roads, and balloons. On average, the annual consumption of rubber per person is estimated at 3.5 kg.

While natural rubber production can have significant environmental and social impacts, it can be grown sustainably, providing a livelihood for millions of people. Natural rubber production has been under the radar for many years in terms of its impacts, with other commodities such as palm oil and soy historically under more pressure to improve practices. But this is starting to change with the formation of the Global Platform for Sustainable Natural Rubber (GPSNR) and an increasing number of companies committing to producing and sourcing sustainable natural rubber.

This report contributes to this sustainability movement in the natural rubber supply chain by providing key findings from the 2021 SPOTT assessments of 15 natural rubber producers and processors, looking at key environmental and social issues.

Read the full report [here](#).



3.

TRACEABILITY IN THE NATURAL RUBBER SUPPLY CHAIN - WHY IS THIS CHALLENGING?

With an increasing number of companies committing to deforestation-free supply chains, traceability is an essential component in the implementation of these sustainable sourcing commitments. Without knowing its origin, it is highly challenging to verify if natural rubber is being produced sustainably, or in compliance with company policies.

The natural rubber industry is dominated by independent smallholder producers (about 6 million worldwide) who represent more than 80% of global production.¹⁰ Likewise, the natural rubber supply chain holds innumerable intermediary traders that buy and sell natural rubber between local producers and processing factories.

The combination of many smallholder producers alongside large-scale plantations combined with often long supply chains with many traders/aggregators, make natural rubber supply chains especially complex. Smallholders typically sell their latex to local traders, who then sell it to processors. Consequently, one rubber processor could end up sourcing latex from multiple independent suppliers of diverse origins. Keeping track of the source of latex in such a context is therefore challenging. Additionally, it is even more complex for buyers further downstream to assess sustainability performance and the production standards of the independent producers.

The supply base of natural rubber is also much wider than for other commodities such as palm oil. Around 80% of the

raw material comes from a radius of 150-200 km from the processor location, with 5% originating more than 500 km away. As natural rubber is non-perishable, it can be stored for a long time and travel long distances.¹¹ This means having access to factory production dates and locations may not provide meaningful information related to smallholders and plantations, making traceability even more complex.

Due to this complexity, one approach which is being undertaken is a 'landscape approach', where sustainability efforts are focused within landscapes. This approach allows companies to implement a more pragmatic and collaborative approach to managing risk within their supply base. Improve traceability and effectively allocate resources.¹² To assess risk in landscapes that a company is sourcing from, data on the occurrence of High Conservation Value (HCV) and High Carbon Stock (HCS) areas is vital to ensure that supply chains are deforestation-free. While some landscape level mapping of these areas exists for Indonesia, a single universal dataset is not available, and there is lack of data for other rubber producing countries. Companies should pool resources to collectively commission landscape-level HCV and HCS screening for key rubber-producing countries, and these should be made publicly available and used in conjunction with satellite monitoring platforms.¹³ Identification of high and low risk areas within a landscape can then be used to inform whether traceability to province, village or even farm level is required.



SUSTAINABLE MODEL OF NATURAL RUBBER SMALLHOLDERS FARMING:

Einhorn's regenerative rubber initiative

To improve traceability and transparency of rubber sourcing in the condom industry, Einhorn reported having set up the Regenerative Rubber Initiative in Thailand and Malaysia.

According to Einhorn, this initiative increases transparency and traceability in its natural rubber sourcing while improving the working conditions and livelihood of farmers by paying fair prices and providing purchase guarantees.

Einhorn claims that their rubber is grown by a group of pioneer farmers

In Southern Thailand in agroforestry systems, supporting biodiversity, and using natural resources responsibly, with careful doses of fertilizers when necessary.

Reportedly, around 35 farmers are growing rubber in agroforestry systems instead of monocultures. They set the criteria for sustainable rubber with a Participatory Guarantee System (PGS). The farmers self-organized into 3 Groups to make sure they all grow rubber trees with sustainable standards.

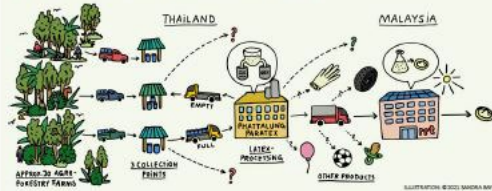
One group is responsible for visiting the different farms and checking that the PGS criteria are being met.

Another group oversees the three latex collection points - thus no more

middlemen are involved. They manage the quality and together with the latex processor ensure that the farmers receive their payment and premium price for the latex.

The third group collects data on the plant and animal species found on the agroforestry rubber plantations.

A latex processing factory in Thailand buys latex directly from agroforestry farmers within a premium pricing system. After processing the latex, it is sent to Malaysia where a manufacturer produces Einhorn condoms which are then shipped to Germany and the UK for distribution.



BIODIVERSITY CONSERVATION AND COMMUNITIES IN FORESTRY

At least a quarter of the world's land area is owned, managed, used, or occupied by Indigenous peoples, encompassing up to 80% of the planet's biodiversity. Indigenous and local communities can and should be essential partners in the conservation of forest ecosystems and their inherent biodiversity. More than 90% of Indigenous Peoples' and Local Communities' (IP&LC) lands are in good or moderate ecological condition.

From an estimated global rural population of 3-4 billion, about 1.3 billion forest-dependent people live in forest landscapes as IP&LC, and several studies suggest that cooperation with IP&LC for conservation purposes has positive impacts on the ecological condition of forest ecosystems and their inherent biodiversity values.

Positive outcomes for both community livelihoods and conservation come from cases where Indigenous peoples and local communities play a central role, such as when they have substantial influence over decision making or when local institutions regulating tenure form a recognized part of governance. "In contrast, when interventions are controlled by external organizations and involve strategies to change local practices and supersede customary institutions, they tend to result in relatively in-effective conservation at the same time as producing negative social outcomes."

Despite their role as the main stewards of the world's forests and biodiversity, IP&LC lands are under increasing pressures due to commodity-driven industries such as timber and pulp or industrial agriculture, with potential negative impacts.

In this regard, ZSL believes that sustainable forest management requires a meaningful commitment to securing IP&LC rights and land tenure and guaranteeing Free, Prior, and Informed Consent (FPIC). Hence, the logging industry has a fundamental responsibility to engage Indigenous and local communities in timber and pulp value chains, while facilitating sustainable development and biodiversity conservation in forest production landscapes.

This report looks at the potential for the timber and pulp sector to contribute to securing IP&LC rights in forest production landscapes, drawing on key findings of the analysis of data from ZSL SPOTT's 2021 assessments of 100 timber and paper producers, processors and traders, looking at key environmental, social and governance (ESG) issues.

ZSL is strongly urging timber and pulp supply chain actors to publicly disclose all of their sustainability policies so buyers, financial institutions and other stakeholders can assess the quality of corporate commitments.

Read the full report [here](#).



2. HOW CAN THE TIMBER AND PULP SECTOR CONTRIBUTE TO SECURE IPLC RIGHTS IN FOREST PRODUCTION LANDSCAPES?

As custodians of at least 32% of the land across all regions of the world, Indigenous and local communities are key actors in global environmental governance.¹⁰ In addition, about 500 million farms worldwide (84% of the total) are smaller than two hectares¹¹ meaning they are managed by 'smallholders' including Indigenous and local communities.

These estimates highlight the need for careful consideration of Indigenous and local communities' realities in the design and implementation phases of forest projects.

As a first step towards securing IP&LC rights, timber & pulp companies should commit to decarbonising IP&LC processes and shifting beneficiaries of their territories through a gradual process of tree-planting and culturally informed silviculture based on the Free, Prior and Informed Consent (FPIC) process. FPIC is a key component of effective FPIC engagement and consultation. It is a specific right that pertains to Indigenous Peoples and is recognized in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). It allows them to give or withhold consent to land and forest activities that affect them in their territories, a firm commitment to implementing environmental and social impact assessments (ESIA) will show how it only contributes to better understood forest contexts, how to avoid or mitigate negative impacts, and how to best include Indigenous and local communities in forest projects through a continuous process of tree-planting and culturally sensitive silviculture. For instance, it is likely that avoiding or less industrial objectives and incentives have significant impacts on the livelihoods of Indigenous and local communities. These impacts need to be carefully assessed and integrated into decision-making processes. At the very least, new plantations and developments should not contribute to adding forest pressure and should not compete with

Indigenous and local communities for vital resources. On a global scale, new plantations and developments can and should be designed to avoid that contribute to rural exodus and further reduce resilience of local livelihoods.

Additionally, timber and pulp producers should comply with national regulations that set social objectives (climate reforestation, direct payments, payments to local, and access to justice or compensation of rights commitments) for affected communities.¹² For instance, in Cameroon, national forestry regulations grant local communities rights to the financial benefits generated by the harvesting of forest resources. Logging operations are required to contribute to the livelihoods of local and indigenous communities through the implementation of Social Contracts of the Terms and Conditions of Logging permits. The rules are agreed with local communities or an independent consulting and agreed by local forest authority and government representatives.¹³

Besides national regulations, forest companies should be aware of and implement international agreed frameworks and performance standards that are available for the responsible management of forest assets such as the 2020 Sustainable Development Agenda, the International Labour Organization Convention No. 109, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Universal Declaration of Human Rights (UDHR).

WHICH INTERNATIONAL INSTRUMENTS AND STANDARDS CAN TIMBER AND PULP PRODUCERS APPLY FOR ENGAGEMENT OF INDIGENOUS AND LOCAL COMMUNITIES?

Over the past decades, a great deal of attention has been given to the rights of Indigenous Peoples in international law and policy thanks to global initiatives by Indigenous Peoples groups, and security organizations and governments at the domestic, regional, and international levels.

At the international level, the International Labour Organization (ILO) Convention No. 109 and by guidelines, the ILO Declaration on the Protection and Integration of Indigenous and Other Tribal and Semi-Tribal Populations in Independent Countries, 1997 (ILO 107), are the only comprehensive specific on the rights of Indigenous Peoples.¹⁴ They promote Indigenous Peoples' rights to development, customary laws, lands, territories and resources, employment, education, and health.

Additionally, other international legal instruments that promote the protection of Indigenous Peoples' rights include:

- The UN International Covenant on Civil and Political Rights and the UN International Covenant on Economic, Social and Cultural Rights (ICESCR).
- The International Convention on the Elimination of All Forms of Racial Discrimination (ICERD)
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- Universal Declaration of Human Rights (UDHR)

Furthermore, Indigenous Peoples' voices have reached increasing recognition at the regional human rights institutions such as the Inter-American human rights system.¹⁵

Indigenous and local communities' important role in achieving sustainable development and food security is recognized in international frameworks such as the Sustainable Development Goals Agenda. For instance, the SDG target 2.3, aims to double the agricultural productivity and incomes of small-scale food producers, including Indigenous Peoples and to secure an equal access to land and other productive resources for women.¹⁶ Timber and pulp producers can apply this target to their stakeholder engagement policies, indigenous programs or similar. Agricultural productivity in this regard may refer to timber production of other non-timber products that may be impacted by project activities.

Free, Prior and Informed Consent (FPIC) is an important framework for engagement of Indigenous and local communities. It guides informed and consultation processes to ensure that potentially affected communities give meaningful consent or no consent planned activities which affect their lands or livelihoods. See box 2 on page 8 for further details.

Other important frameworks and standards for engagement of Indigenous and local communities in decision-making processes that may affect their regional or local communities include the Common Criteria for the Identification and Management of High Conservation Value (ICM) of the High Carbon Stock Approach (HCSA) and IFC National Standards for Responsible Forest Management (NSRF).

OIL PALM AND TROPICAL PEAT – COMPANY COMMITMENTS AND REPORTING IN 2021

Tropical peatland areas are rich ecosystems crucial for biodiversity, and which deliver a range of vital regulating, provisioning, and supporting ecosystem services. The destruction and degradation of tropical peatland in Southeast Asia, Africa and Central and South America for oil palm cultivation has serious negative impacts on people and nature, as well as posing a business risk for companies in the supply chain and their financiers. This report provides an overview of ZSL’s 2021 SPOTT assessments of sustainability reporting by palm oil producers, processors and traders.

Peatland is found around the world, with tropical peatland underlying parts of the major rainforests of Southeast Asia, the Congo Basin, and the Amazon, as well as areas of Central America and the Caribbean. Peatland and wetlands are critical for preventing and mitigating the effects of climate change and preserving biodiversity.

A major threat to peatland is drainage for agriculture, including oil palm, and forestry, including industrial pulp plantations. Although tropical peat is not ideally suited for oil palm cultivation – due to its high water content and acidic pH – as demand for land has increased over the last few decades, and areas with optimal soil types have become increasingly scarce, pressure to convert these areas has increased.

It is predicted that the majority of smallholder oil palm expansion will happen on peat soils by 2030, as cultivators look for more marginal landscapes to convert in response to a growing demand for palm oil and other commodities.

Degradation and loss of peatland leads to declines in biodiversity, and puts threatened species at risk, with 45% of mammals and 33% of bird species in tropical peat swamp forests listed as threatened.

Given the critical environmental and social impacts associated with peat destruction, it is crucial that palm oil companies work to minimise the risks to peat on and around their plantations or those of their suppliers. The report provides a set of recommendations for palm oil producers, downstream buyers, banks and investors.

ZSL urges increased company disclosure of sustainability information on operations, policies, and practices. This includes companies adopting sound and robust Environment Management Systems, best practices of human rights and labour rights, good agricultural practices, NDPE policies, improving transparency and traceability in their supply chain, disclosing, and regularly reporting progress on implementation of their sustainability policies. Using the list of key SPOTT indicators (see section 6 in the report) can be an effective starting point.

Read the full report [here](#).



COMMITTED TO SUSTAINABLE PALM OIL? 3RD EDITION

In this third edition of ‘Committed to Sustainable Palm Oil?’, ZSL and WWF analysed Annual Communication of Progress (ACOP) reports submitted by palm oil growers, processors and traders, consumer goods manufacturers (CGMs) and retailers for the year 2020. Some key findings of this year’s analysis were that:

- 2020 was supposed to be a crucial milestone for progress on sustainability and halting deforestation in the palm oil sector. However, while several companies have made progress in meeting their commitments to be 100% RSPO-certified by 2020, many RSPO members across the supply chain still have not even set targets.
- The share of companies with 100% RSPO certification has improved between 2019 and 2020, particularly across growers and retailers. However, progress remains very variable both within and between supply chain segments.
- Companies with the largest land area and volumes of palm oil handled are still falling short on certification. All companies need to take immediate and meaningful action to close the certification gap, with additional responsibility for bigger players to rapidly and significantly increase their uptake of sustainable palm oil.

With rates of tropical deforestation, biodiversity loss and greenhouse gas emissions continuing to rise,

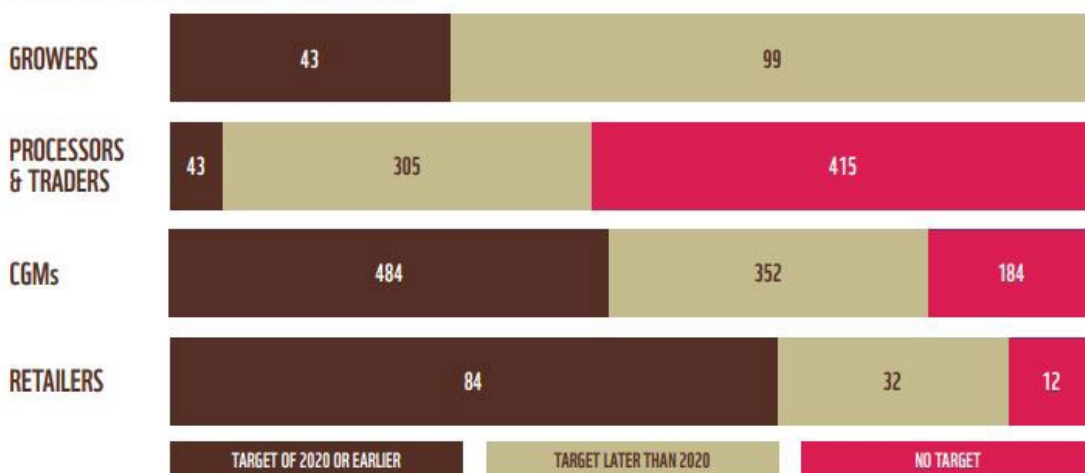
RSPO member companies across the supply chain need to act fast to set, strengthen and deliver on their commitments towards a sustainable palm oil industry.

ZSL and WWF urgently call on all RSPO members to:

- Increase awareness: Understand and embrace the Shared Responsibility requirements, and improve awareness of these among other members.
- Improve reporting: Ensure clear and precise reporting of data in annual ACOP submissions, to allow improved analysis of ACOP reporting across and within sectors – in particular by vertically integrated companies. A clearer picture of current efforts on Shared Responsibility is essential to accelerating progress.
- Act on certification: Implement the Shared Responsibility requirements and work towards increasing certified production and meeting the latest uptake targets, as relevant to each supply chain segment, and continue to strengthen these requirements over time.
- Collaborate for progress: Work collectively, embracing the principle of Shared Responsibility, to drastically improve efforts towards the production and sourcing of 100% RSPO-certified palm oil.

Read the full report [here](#).

FIGURE 1
PERFORMANCE OF COMPANIES AGAINST TARGET YEAR:
 BREAKDOWN OF COMPANIES BY TARGET YEAR



SPOTT TRAINING HUB: THEMATIC GUIDE SERIES

To facilitate capacity sharing we launched the SPOTT Training Hub in 2022 as a resource of training materials for buyers, financial institutions, SPOTT-assessed companies, and other stakeholders who use SPOTT.

A central resource is our Thematic Guide series, which provides clear, concise and user-friendly introductions to key ESG topics. The series to date covers zero deforestation, traceability, supplier engagement, free, prior, and informed consent, gender, and the living wage.

Each guide is designed to help companies set and report on robust commitments, or help financial institutions engage with companies on these topics.

Thematic Guides have also been translated into French and Bahasa Indonesia.

See the full series, and all other materials available on the Training Hub, [here](#).



Gender equality in your corporate policies

-  Prepare or revise your commitment to eliminate gender related discrimination with regards to employment.
-  Report your progress to eliminate gender related discrimination. Provide evidence of actions taken to tackle discrimination such as employee training and improvements made to key procedures such as recruitment, equal opportunities, parental leave, flexible working, etc.
-  Report how your organisation specifically supports the inclusion of women in forestry or agricultural operations. Address issues such as adequate consultation with women in surrounding communities, flexible working hours, access and control of land and resources, livelihood schemes to support women, etc.
-  Publish clear gender data on your workforce—specifically the number and percentage of female and male workers.
-  Show the gender balance of your board and senior management team. For publicly-listed companies, publish the number and percentage of women on the board. All companies should publish the same data for women in the senior management team.
-  Publish your gender pay gap—calculate the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation in line with [GRI reporting](#).
-  Define the scope of your commitments, applying them at the group level of your company, including any and all subsidiaries, joint ventures, affiliates and related entities in all countries.
-  Extend your gender equality commitments to all your suppliers, including those you source from directly and indirectly. Suppliers should be required to also apply the commitment at the group level.
-  Publish your gender equality commitments on your website with a clear date of publication and report progress annually at a minimum.



SUSTAINABLE BUSINESS AND FINANCE POLICY: BROADENING OUR ENGAGEMENT

Against the backdrop of major international conferences on climate change and biodiversity at the end of the year, we increased our engagement with policy and legislative processes both nationally and internationally.

Defra consultation

In March, we responded to Defra's consultation on 'Implementing due diligence on forest risk commodities', calling on the UK government to include a broad range of commodities from the start; regulate all companies in forest-risk commodity supply chains, irrespective of turnover, expecting companies to do more in line with their sourcing volumes and capacity to leverage change; and set ambitions for the regulation to extend beyond legality by integrating other sustainability indicators.

In [Defra's summary of responses and government response](#), SPOTT was one of the most cited sources of information on global forest and agricultural supply chains, alongside Global Forest Watch and TRASE.

Read more on our [blog](#).

EU Deforestation Regulation

In July, we added our voice to calls to include natural rubber in the scope of the proposed EU Deforestation Regulation, setting out our recommendation in a [blog](#) on the SPOTT website.

In November, we signed a [joint letter](#) from the Global Platform for Sustainable Natural Rubber's civil society organisations to Members of the European Parliament, Permanent Representations to the European Union, and the Directorate-General for Environment of the European Commission; and ZSL's Sustainable Business Programme Manager Oliver Cupit also attended a high-level meeting in November with the Cabinet of the Commissioner for Environment at the European Commission on natural rubber and the EU Deforestation Regulation.

Environmental Audit Committee inquiry

In September, we submitted evidence to the Environmental Audit Committee inquiry into sustainable timber and deforestation. Our evidence reiterated some of our calls from the Defra consultation; highlighted the need to introduce mandatory due diligence requirements for the finance sector; emphasised the need for transparency and traceability in commodity supply chains to enable third parties to independently verify if products are associated with deforestation; commented on the UK's engagement with international partners and the effectiveness of the Glasgow Leaders Declaration on Forests and Land Use as a mechanism for halting and reversing forest loss; and on the impacts of UK measures to address deforestation on producer countries, Indigenous peoples and local communities.

Read our submitted evidence in full [here](#).

International climate and biodiversity conferences

Ahead of the UN Framework Convention on Climate Change Conference of Parties – COP27 – we published a blog outlining three key priorities from the perspective of sustainable business. These were implementation; finance for forests; and the importance of ensuring nature was at the heart of decision making, emphasising the interdependencies between biodiversity and climate meaning they should not be considered in isolation from each other.

Read the blog [here](#).

THANK YOU TO OUR DONORS

The SPOTT initiative is funded with the generous support of the following donors, however, the views expressed do not necessarily reflect our donors' views or official policies.



ABOUT ZSL

Founded in 1826, ZSL is an international conservation charity, driven by science, working to restore wildlife in the UK and around the world; by protecting critical species, restoring ecosystems, helping people and wildlife live together and inspiring support for nature. Through our leading conservation zoos, London and Whipsnade, we bring people closer to nature and use our expertise to protect wildlife today, while inspiring a lifelong love of animals in the conservationists of tomorrow. Visit www.zsl.org for more information.