Hidden land, Hidden risks?

Commitments and progress in the palm oil sector

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The ZSL SPOTT initiative

- SPOTT is an **online platform** dedicated to supporting **transparency** amongst **upstream** commodity producers
- SPOTT assesses 70 of the **world’s largest** palm oil producers and traders and 50 major tropical timber and pulp producers
- Companies are assessed on the **public disclosure** of their policies and commitments, operations, and progress
Aims of SPOTT

- SPOTT supports constructive **industry engagement** by investors, buyers, government, and civil society.
- Those with the **power to influence** companies to increase ESG disclosures and improve practices on the ground.
- Users can identify areas where a company is making **continuous improvement**, and areas where **engagement** may be needed.
How are companies assessed?

- Sustainability policy and leadership
- Landbank, maps, FMUs, mills and traceability
- Deforestation and biodiversity
- HCV, HCS and impact assessments
- Peat, soils, fire and GHG emissions
- Water, chemical, waste and pest management
- Community, land and labour rights
- Certification standards
- Smallholders and suppliers
- Governance and grievances

Engagement with industry stakeholders

Draft assessments based on publicly available data

Final assessments published on SPOTT website

Consolidation based on further disclosures

Company receives draft assessment for comment
### Average score for RSPO vs. non-RSPO companies

<table>
<thead>
<tr>
<th>Category</th>
<th>RSPO Score (%)</th>
<th>Non-RSPO Score (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability policy and leadership</td>
<td>71.0%</td>
<td>29.5%</td>
</tr>
<tr>
<td>Landbank, maps and traceability</td>
<td>65.3%</td>
<td>31.3%</td>
</tr>
<tr>
<td>Deforestation and biodiversity</td>
<td>65.2%</td>
<td>25.0%</td>
</tr>
<tr>
<td>HCV, HCS and impact assessment</td>
<td>63.1%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Peat, fire and GHG emissions</td>
<td>53.6%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Water, chemical and pest management</td>
<td>48.0%</td>
<td>20.6%</td>
</tr>
<tr>
<td>Community, land and labour rights</td>
<td>67.9%</td>
<td>29.3%</td>
</tr>
<tr>
<td>Certification standards</td>
<td>50.7%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Smallholders and suppliers</td>
<td>47.8%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Governance and grievances</td>
<td>62.0%</td>
<td>30.3%</td>
</tr>
</tbody>
</table>

**Overall score – 60%**
49 companies

**Overall score – 20%**
21 companies
How robust are corporate commitments?

- Human rights
- Legal & customary rights
- Indigenous & local community rights
- FPIC commitment
- FPIC process
- Land conflict process

% companies

Full  Partial  None
Commitments to achieving 100% traceability

- Mill level
- Plantation level

% companies:
- Full
- Partial
- None
Progress in achieving traceability

- **Mill level**
  - >80%: 0%
  - 0-19%: 100%

- **Plantation level (Own mills)**
  - >75%: 0%
  - 0-19%: 100%

- **Plantation level (Suppliers)**
  - >75%: 0%
  - 0-19%: 100%
Disclosure of landholdings

- Managed area
- Planted area
- Plasma/scheme smallholder area
- Maps of estates
- Maps of plasma/scheme smallholders

% companies:
- Yes
- Partial
- No
Disclosure of company-owned and supplier mills

- # or names of company mills
- # or names of supplier mills
- Maps of company mills

% companies

- Yes
- Partial
- No
Risks

- Several companies have commitments to respect human rights, land tenure, and local communities.
- Can’t manage what you don’t know!
- Companies at risk of human and land rights violations.
- Accurate and transparent spatial data is needed to effectively monitor and manage risks.
  - Increasing sustainability criteria in lending and investments.
  - Several buying companies have strong NDPE commitments.
  - Inhibits the ability of civil society.
- Loss of investments and procurement.
Recommendations & Opportunities

- Understanding one’s supply base is a necessary precursor for companies to meet their sustainability commitments.
- There is a need for companies to provide clearer and more consistent reporting of their supply base.
- Advances in technologies improve affordability.
- Jurisdictional or landscape level approaches.
Thank you!

Visit http://spott.org/ for more information

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