



*epidemics*Climate change, and Forest-risk sectors

Clara Melot, Zoological Society of London





JP Morgan economists warn of 'catastrophic' climate change

By Tom Espiner Business reporter, BBC News

() 21 February 2020 | F

Climate change

fastFT Climate change

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Carney warns of climate change hit to corporate assets

Outgoing Bank of England governor says companies and investors

need to step up planning

'Worst case scenario': Polar ice caps and Greenland ice sheet melting six times faster than in 1990s

'Irrefutable evidence' based on surveys and satellite missions shows we are currently on course to see 'devastating' sea level rise, scientists say

Harry Cockburn | 3 days ago | 21 comments



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EU Taxonomy





 Agriculture & Forestry covered.

Activities

Growing of perennial crops

Growing of non-perennial crops

Livestock production

Afforestation

Rehabilitation, Restoration

Reforestation

Existing forest management

Climate and forests?

- Just four commodities are estimated to be responsible for <u>over a third</u> of tropical deforestation each year:
 - palm oil;
 - timber and pulp;
 - cattle;
 - and soy.
- Land conversion for palm oil is often associated with high emissions from peatlands.
- Widespread use of fire for land clearing the emissions from Indonesia's 2015 haze crisis alone were at times greater than those of the entire US economy.
- About 26% of forest disturbance is attributed to Forestry operations.

Amazon deforestation looks set to hit a record high in 2020

f y 0 in 6 9 9

By Adam Vaughan



©The New Scientist

Having More Trouble Soaking up

On Earth, one of the most important fact the carbon cycle. This refers to the proce compounds are sequestered by biologic geological processes and released throu organic processes (decay and respiratio cycle has kept temperatures relatively s life to flourish.

For the past few centuries, human activity point that some refer to the current geol Anthropocene. According to a new study researchers, human activity is also leadir rainforests (a major sequester of carbon ## More videos fr their ability to soak up carbon but could problem in the coming years.

The study that describes these findings, Climate saturation in African and Amazonian trop appeared in the journal Nature. This rese scientists from the Royal Museum for C

Forests Need **OUN Protection From EU** As Temperatures Increase, Fore Unsustainable Finance



Emanuela Barbiroglio Contributor (1) Green Tech

I write about sustainability and EU's environmental policies







SCIENCE

Deforestation is leading to more infectious diseases in humans

As more and more forest is cleared around the world, scientists fear that the next deadly pandemic could emerge from what lives within them.

6 MINUTE REA

BY KATARINA ZIMMER







PUBLISHED NOVEMBER 22, 2019

In 1997, clouds of smoke hung over the rainforests of Indonesia as an area roughly the size of Pennsylvania was burned to make way for agriculture, the fires exacerbated by drought. Smothered in haze, the trees couldn't produce fruit, leaving resident <u>fruit bats</u> with no other option than to fly elsewhere in search of food, carrying with them a deadly disease.

California lawmakers introduce legislation to fight tropical deforestation

by Ashoka Mukpo on 24 February 2020





France adopts strategy to stop 'deforestation imports' by 2030

Accused of being complicit in not only deforestation but also human right abuses in plantations, the European Union, of which France is a member, is keen to combat unsustainable imports, known as a key driver to deforestation.

©Eco- business

- California's AB 2002 bill would require any contractors supplying the state to comply with strict rules against tropical deforestation.
- It would apply to a wide range of products, including palm oil, beef, soybeans, and timber.
- A similar bill stalled and died last year, but its sponsors are optimistic that this time around it will fare better.

Lawmakers in California have introduced an ambitious bill that would force all contractors supplying products to the state to comply with strict rules against tropical

©Mongabay



Do you have exposure?

Palm oil Timber Wood Pulp Natural Rubber

Do you have exposure?

Palm oil (producers & traders)

- Biofuels
- Refineries/Chemical
- Cosmetic industry
- Household products
- Food industry (FMGC)
- Retailers

Timber (producers & traders)

- Biomass
- Construction
- Railways
- Furniture/decoration
- Flooring
- Musical instruments

Wood Pulp (producers & traders)

- Paper companies
- Packaging companies
- Paper and packaging buying companies
- Fashion (cellulose)
- Food industry (additive)

Natural Rubber (producers & traders)

- Tiremakers
- Car manufacturers
- Aviation
- Health equipment
- Condom manufacturers
- Mattress/bedding manufacturers
- Fashion and sportwear



What is SPOTT?

- SPOTT is a free online platform dedicated to supporting transparency amongst upstream commodity producers
- SPOTT assesses (>200) the world's largest producers and traders of palm oil, timber & pulp and rubber
- Companies are assessed on the public disclosure of their policies, operations and commitments – 100+ indicators across 10 ESG categories
- Used by financial institutions and supply chain companies to inform investment & purchasing decisions





Tracking transparency, supporting sustainability

How does SPOTT assess companies?

- Process relies on regular, constructive engagement between the SPOTT team and assessed companies
- Opportunity for companies to understand industry expectations, respond to ZSL, and potentially improve disclosures ahead of the final review and publication on SPOTT
- Supporters increase the incentive for companies to meet industry expectations and improve their transparency





Commodities assessed:







Timber and pulp



Natural rubber

SPOTT supports the finance sector and supply chain stakeholders to manage environmental, social and governance (ESG) risks by publishing transparency assessments of soft commodity producers and traders. By tracking transparency, SPOTT incentivises the implementation of corporate best practice.

Investors and buyers can use SPOTT to help meet their own commitments, and engage with companies to promote sustainable commodity production through responsible investment and sourcing.





Natural rubber: ESG policy transparency assessments

Latest update: November 2019 | Next scheduled: November 2020

★ Download data (CSV) | ✓ View summary (PDF)

SPOTT assesses multiple natural rubber producers and processors on the public disclosure of their policies... Show more >

Add filter(s) Disclosure types: Organisation Policy Practice						Show overview •		
Company	Rank ~	Score	⑦ Change	⑦ Disclosure ~	Supply chain segments ~	Headquarters	Landbank	Market cap
Sampoerna Agro	1	72%	n/a		Producer	Indonesia	100.0 KHa	\$298.6M
Halcyon Agri	2	69.6%	n/a		Producer, processor, trader	Singapore	111.6 KHa	\$501.7M
Socfin	3	67%	n/a		Producer, processor	Luxembourg	387.9 KHa	\$404.0M
Siat Group	4	57.2%	n/a		Producer, processor	Belgium	222.2 KHa	Private co.
Royal Lestari Utama	5	50%	n/a		Producer, processor	Indonesia	88.8 KHa	Private co.
Bridgestone	6	47.1%	n/a		Producer, processor, trader	Japan	48.2 KHa	\$33,065.6M
Vietnam Rubber Group (VRG)	7	42.7%	n/a		Producer, processor, trader	Vietnam	408.0 KHa	\$2,140.5M
Société Internationale de Pla	8	38.7%	n/a		Producer, processor, trader	France	60.4 KHa	\$473.1M
Bakrie Sumatera	9	28.2%	n/a		Producer, processor	Indonesia	19.8 KHa	\$16.1M
Kirana Megatara	10	21.5%	n/a		Producer, processor	Indonesia	2.9 KHa	\$183.0M
Indofood Agri	11	13.1%	n/a		Producer, processor	Singapore	16.9 KHa	\$331.9M
HAGL Group	12	12.1%	n/a		Producer, processor	Vietnam	44.5 KHa	Private co.

			Assess	ment date: N	ovember 2019 🔻
		?	Total:	67 / 93	72%
Expa	nd all categories	Score by disclosure type: Show score breakdown ✓			
Ø	> Sustainability policy and leadership ?			6.5 / 9	72.2%
9	> Landbank, maps and traceability ?		7/7	100%	
	> Deforestation and biodiversity ?			8.25 / 9	91.7%
EN S	Y HCV, HCS and impact assessments ?			5.5 / 6	91.7%
		Show score breakdown 🗸			
	32. Commitment to conduct High Conservation Value (HCV) ass	essments?		✓ 1/1	Source
	33. High Conservation Value (HCV) assessments available?			✓ 1/1	Source
	34. High Conservation Value (HCV) management and monitoring		✓ 1/1	Source	
	35. Commitment to the High Carbon Stock (HCS) approach? The company commits to conduct carbon stock assessments but does not	P 0.5 / 1	L Source		
	36. Commitment to conduct social and environmental impact assessments (SEIAs)?				Source
	37. Social and environmental impact assessment (SEIAs) under	taken, and associated management and moni	toring plans?	✓ 1/1	Source
	> Soils, fire and GHG emissions ?			7.75 / 13	59.6%
•	> Water, chemical and pest management ?			5.5 / 12	45.8%
	> Community. land and labour rights ?			21.25 / 27	78.7%







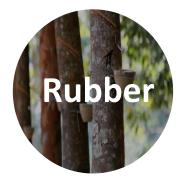
October 2019

Average score: 35.2% (n=99)



July 2019

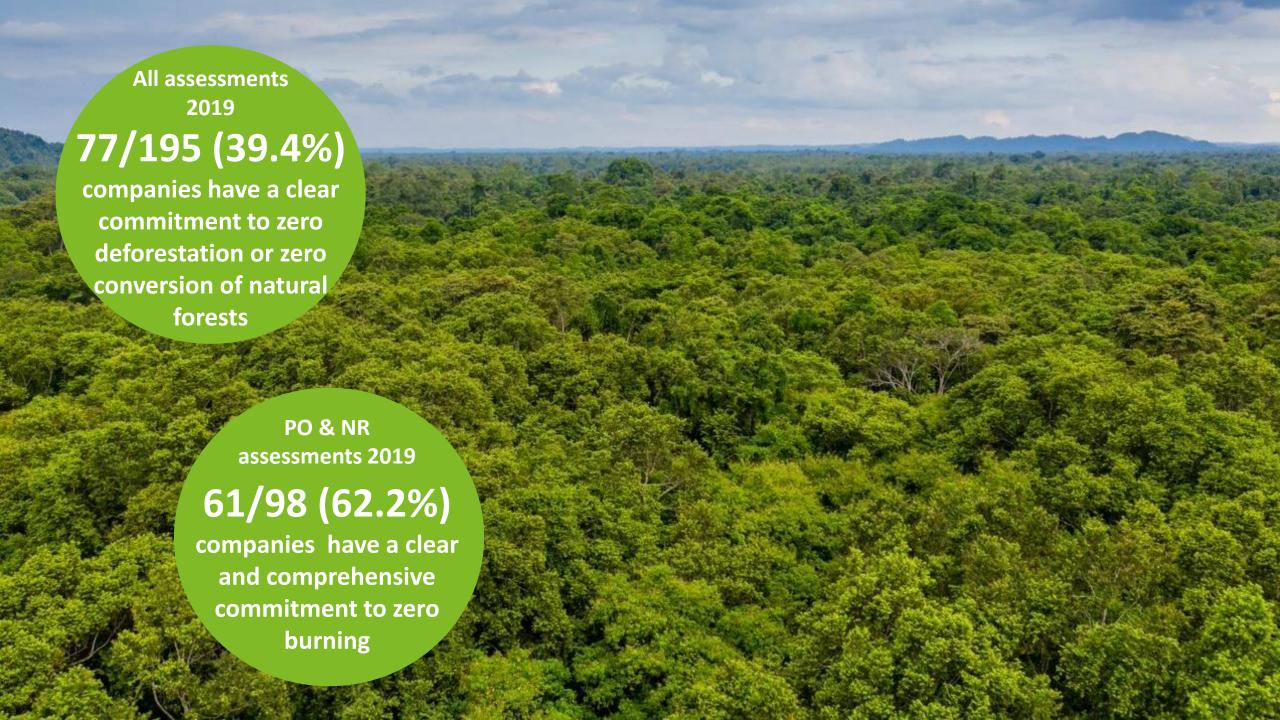
Average score: 20.4% (n=97)



November 2019

Average score: 36.0% (n=15)

Ø	Sustainability policy and leadership	42.8%	Sustainability policy and leadership	21.6%	Sustainability policy and leadership	47.3%
9	Landbank, maps and traceability	33.7%	Landbank, FMUs and mills	25.2%	Landbank, maps and traceability	50.3%
	Deforestation and biodiversity	29.9%	Deforestation and biodiversity	24.5%	Deforestation and biodiversity	33.6%
	HCV, HCS and impact assessment	35.6%	HCV, HCS and impact assessment	20.0%	HCV, HCS and impact assessment	31.9%
	Peat, fire and GHG emissions	34.4%	Soils, fire and GHG emissions	15.0%	Soils, fire and GHG emissions	23.0%
	Water, chemical and pest management	27.0%	Water, chemical and waste management	13.8%	Water, chemical and pest management	22.7%
	Community, land and labour rights	36.5%	Community, land and labour rights	26.3%	Community, land and labour rights	46.1%
	Certification standards	37.5%	Certification standards	12.6%	Certification standards/Sustainability initiatives	26.3%
This	Smallholders and suppliers	23.7%	Smallholders and suppliers	17.4%	Smallholders and suppliers	22.7%
	Governance and grievances	37.7%	Governance and grievances	17.0%	Governance and grievances	47.3%



PO assessments 2019 63/71

can trace 0% of their raw materials from their supplier mills to the plantation of origin

PO assessments 2019

4/99 (4.04%)

companies report strong evidence of monitoring deforestation...a further 28/99 report at least some.





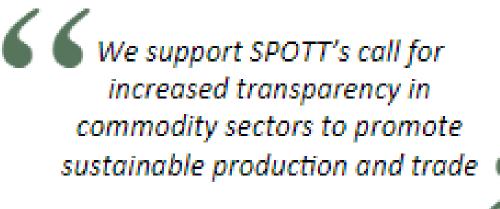


Call to action



- Look into your direct and indirect exposure (see our scorecards and individual company assessments on www.SPOTT.org)
- Benchmark your own policies against other FIs on <u>www.SCRIPT.finance</u>
- Join engagements PRI has palm oil and deforestation working groups and collective engagements
- Engage companies directly or send them our way
- Get "in touch"!

Join our Supporter Network



www.spott.org/supporter-network/





Developed by the Zoological Society of London (ZSL), SPOTT is a free, 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 policies, operations and commitments related to environmental, social and governance (ESG) issues. Investors, buyers and other key influencers can use SPOTT assessments to inform stakeholder engagement, manage ESG risk, and increase transparency across multiple industries.

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