

ESG RISKS IN THE NATURAL RUBBER SECTOR

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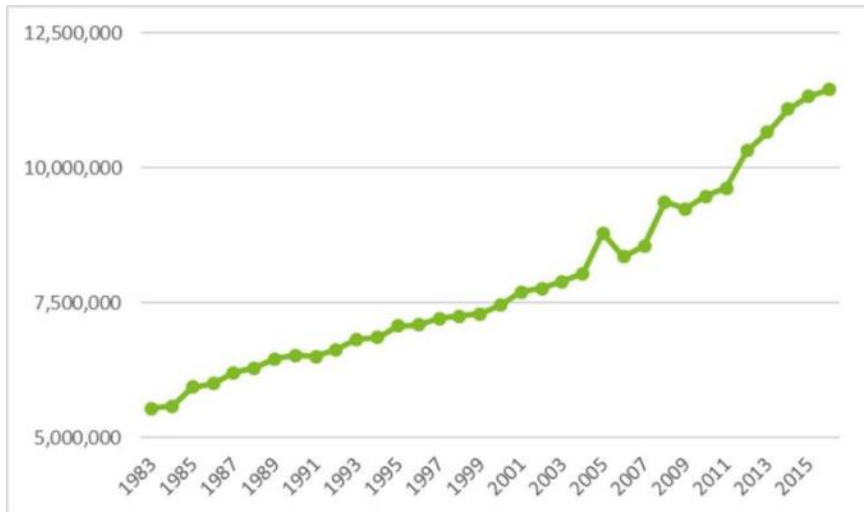


NATURAL RUBBER AND ESG RISK

SPOTT.org @ZSLSPOTT

RUBBER – DOES ‘NATURAL’ MEAN SUSTAINABLE?

- Rubber gloves, mattresses, toothbrushes, shoes, tyres, conveyer belts, asphalt, yoga mats, balloons, condoms, phone covers and hot water bottles – all these objects contain some form of rubber.
- In the past two decades, natural rubber consumption has increased.



World production of natural rubber (area harvested in hectares) between 1983 and 2016. Source FAOSTAT [i]

- The area under natural rubber cultivation doubled from 5.5 to 11 million hectares between 1983 and 2016
- Demand for natural rubber is expected to grow even more in the short to medium term – there are also forecasts of overproduction in the [next few years](#).

NATURAL RUBBER VS SYNTHETIC RUBBER

- A majority of rubber products are now made using synthetic rubber derived from crude oil.
- Natural rubber has unique characteristics such as high mechanical resistance or resilience.
- In 2017, 46.5% of the global rubber consumption was natural rubber and around 70% of this was used by the tyre industry.
- It is currently impossible to fully substitute natural rubber with synthetic – for example, aircraft tyres are made of 100% natural rubber.



RUBBER PRODUCTION

- The majority (85%) of production is provided by smallholders, usually owning less than 5 hectares of either monoculture plantations or agroforestry where rubber trees are grown amongst other crops.
- The remaining natural rubber is produced by large companies on industrial monoculture plantations.

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 across 10 ESG categories
- Used by financial institutions and supply chain companies to inform investment & purchasing decisions



SPOTT

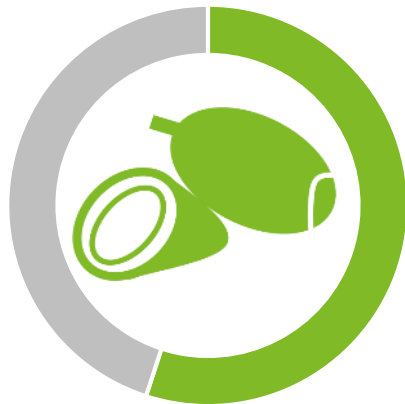
Tracking transparency, supporting sustainability

WHO IS ASSESSED BY SPOTT?

211 soft commodity companies

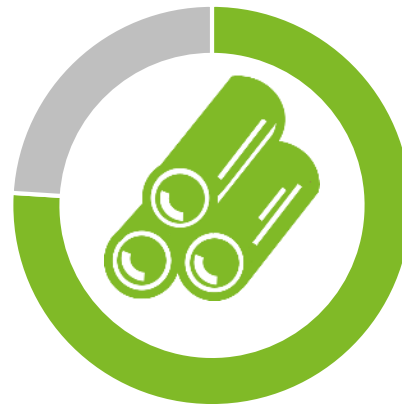
~40% public | ~60% private

99 palm oil producers
and traders



45% public | 55% private

97 timber & pulp
producers



24% public | 76% private

15 natural rubber
producers



67% public | 33% private

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



HOW DOES SPOTT ASSESS COMPANIES?

- Total of 100+ indicators grouped into 10 categories of E,S and G issues.
- These indicators assess information published by companies:
 - On their websites
 - In reports
 - On other trustworthy websites or sources
- These indicators cover:
 - Information on company operations
 - Policies and commitments
 - Targets for improvement
 - Self-reported and audited progress reporting



Company policies and commitments assessed on SPOTT may not translate into effective implementation on the ground

- » [Palm oil](#)
- » [Timber and pulp](#)
- » [Natural rubber](#)
- » [Assessment scores explained](#)

SPOTT supports the financial sector and supply chain stakeholders to manage ESG risk through transparency assessments of soft commodity producers and traders.

Palm oil: a business case for sustainability

New report from ZSL and Aviva Investors examines the business case for producing, sourcing and financing sustainable palm oil.

[Read more](#) →

ESG transparency assessments ▾

9.9% ▼ 6.2%

SIFCA Group: 13.6% –

Austindo Nusantara Jaya Tbk PT: 66.6% ▲ 3.9%

Eldorado Brasil Celulose SA: 51.3%

Commodities assessed:



Palm oil



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 ▾	Change ? ▾	Disclosure ? ▾	Supply chain segments ▾	Headquarters ▾	Landbank ▾	Market cap ▾
Sampoerna Agro	1	72% <div style="width: 72%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer	Indonesia	100.0 KHa	\$298.6M
Halcyon Agri	2	69.6% <div style="width: 69.6%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor, trader	Singapore	111.6 KHa	\$501.7M
Socfin	3	67% <div style="width: 67%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor	Luxembourg	387.9 KHa	\$404.0M
Siat Group	4	57.2% <div style="width: 57.2%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor	Belgium	222.2 KHa	<i>Private co.</i>
Royal Lestari Utama	5	50% <div style="width: 50%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor	Indonesia	88.8 KHa	<i>Private co.</i>
Bridgestone	6	47.1% <div style="width: 47.1%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor, trader	Japan	48.2 KHa	\$33,065.6M
Vietnam Rubber Group (VRG)	7	42.7% <div style="width: 42.7%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor, trader	Vietnam	408.0 KHa	\$2,140.5M
Société Internationale de Pla...	8	38.7% <div style="width: 38.7%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor, trader	France	60.4 KHa	\$473.1M
Bakrie Sumatera	9	28.2% <div style="width: 28.2%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor	Indonesia	19.8 KHa	\$16.1M
Kirana Megatara	10	21.5% <div style="width: 21.5%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor	Indonesia	2.9 KHa	\$183.0M
Indofood Agri	11	13.1% <div style="width: 13.1%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor	Singapore	16.9 KHa	\$331.9M
HAGL Group	12	12.1% <div style="width: 12.1%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	n/a	<div style="width: 100%; height: 10px; background-color: #c8e6c9; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #81c784; margin: 2px 0;"></div> <div style="width: 100%; height: 10px; background-color: #43a047; margin: 2px 0;"></div>	Producer, processor	Vietnam	44.5 KHa	<i>Private co.</i>

Expand all categories

Score by disclosure type: Show score breakdown 

Total:	67 / 93	72%

 > Sustainability policy and leadership 	6.5 / 9	72.2%
 > Landbank, maps and traceability 	7 / 7	100%
 > Deforestation and biodiversity 	8.25 / 9	91.7%
 > HCV, HCS and impact assessments 	5.5 / 6	91.7%
Show score breakdown 		
<input checked="" type="checkbox"/> 32. Commitment to conduct High Conservation Value (HCV) assessments?	✓ 1 / 1	Source
<input checked="" type="checkbox"/> 33. High Conservation Value (HCV) assessments available?	✓ 1 / 1	Source
<input checked="" type="checkbox"/> 34. High Conservation Value (HCV) management and monitoring plans available?	✓ 1 / 1	Source
<input checked="" type="checkbox"/> 35. Commitment to the High Carbon Stock (HCS) approach? The company commits to conduct carbon stock assessments but does not explicitly mention the HCS Approach	P 0.5 / 1	Source
<input checked="" type="checkbox"/> 36. Commitment to conduct social and environmental impact assessments (SEIAs)?	✓ 1 / 1	Source
<input checked="" type="checkbox"/> 37. Social and environmental impact assessment (SEIAs) undertaken, and associated management and monitoring 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%

WHY SPOTT?

Mitigate against ESG risks:

- **Direct impacts** on returns (through dividends, capacity to pay back):
 - Lower productivity
 - Reduced market share
 - Loss of licence to operate
 - Fines
- **Indirect impacts** through association:
 - NGO campaigns
 - Media attention
 - Reputation



NATURAL RUBBER: UNDERAPPRECIATED ESG RISKS

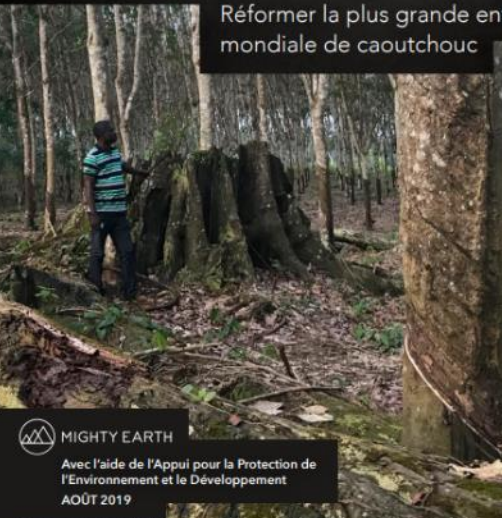
- The rapid expansion of large-scale natural rubber monocultures in southeast Asia in the past three decades has resulted in issues similar to those associated with the production of palm oil, and other plantation-based commodities.
- Due to the structure of the industry and the durable nature of the material, traceability in the rubber sector is low which potentially increases risk and make it more difficult to identify and mitigate.
- Unlike the palm oil, forest products, and soy industries, there is no overarching sustainability certification standard specifically for natural rubber.

→ **REPORTERS****L'hévéa, arme de déforestation massive au Cameroun**

Publié le : 01/11/2019 - 16:22

RESTAURATION ET RÉPARATIONS

Réformer la plus grande entreprise mondiale de caoutchouc



LE TEMPS SE CONNECTER SERVICES S'ABONNER DES CHF 9

RUBRIQUES - EN CONTINU BLOGS VIDÉOS MULTIMÉDIA - **T MAGAZINE** RECHERCHER Q

Accueil > Economie > Violations des droits de l'homme: deux entreprises fribourgeoises sur la sellette

CAOUTCHOUC

Violations des droits de l'homme: deux entreprises fribourgeoises sur la sellette

ONLINE 4 minutes de lecture

DONATE SEARCH COUNTRIES LANGUAGES

博客 / March 29, 2019

FROM POLICIES TO PRACTICE - HOW THE RUBBER INDUSTRY CAN CLEAN UP ITS ACT

Ali Hines Tweet 分享 森林 土地 捐助 >

When I first started working at Global Witness six years ago, nobody was talking about sustainable rubber or the harms caused by the industry.

Why We (Still) Can't Live Without Rubber

As global car sales soar, the demand for tires is transforming Southeast Asia's landscape. New plantations of rubber trees are lifting some out of poverty—but may also spark an ecological disaster.

BY CHARLES C. MANN

PHOTOGRAPHS BY **RICHARD BARNES**

13 MINUTE READ



PUBLISHED DECEMBER 2015

Les Echos

À la une Idées Économie Politique Monde Tech-Médias Entreprises Bourse Finance - Marchés Régions Patrimoine

Le rendez-vous CRÉDIT MUTUEL EQUITY à retrouver sur lesechos.fr

Les acheteurs de caoutchouc ciblent la déforestation

global witness

t le WWF vont tester à Sumatra des cultures d'hévéas moins destructrices.

Lire plus tard 06 Commenter

cultivées, en hectares

ires De 100.000 De 50.000 Inf.
00 ha à 500.000 ha à 100.000 ha à 50.000 ha



Thursday, 16 April 2020

'E' RISKS

- Natural forests are and have been converted to rubber plantations leading to
 - habitat and biodiversity loss and
 - forest degradation
- Proximity with / plantations within protected areas can cause serious conservation concerns
- An estimated 3 million hectares has been lost to rubber plantations in the Mekong since 2000 (Fern, 2018).
- Processing of natural rubber also involves using large amounts of chemicals at various stages of processing, which pose pollution risks.



'S' RISKS

- Industrial rubber monocultures have been associated with land grabbing, various human rights violations such as coercion, violent evictions and loss of livelihoods
- As a labour-intensive industry, it raises risks of issues such as child labour and labour right violations.
- Health and safety concerns and wider impact on neighbouring populations may arise from the use of chemicals in growing and processing activities.
- The majority (85%) of production comes from smallholders, which may mean difficulties for buyers to have a correct picture of the production standards and address poor management practices.

'G' RISKS

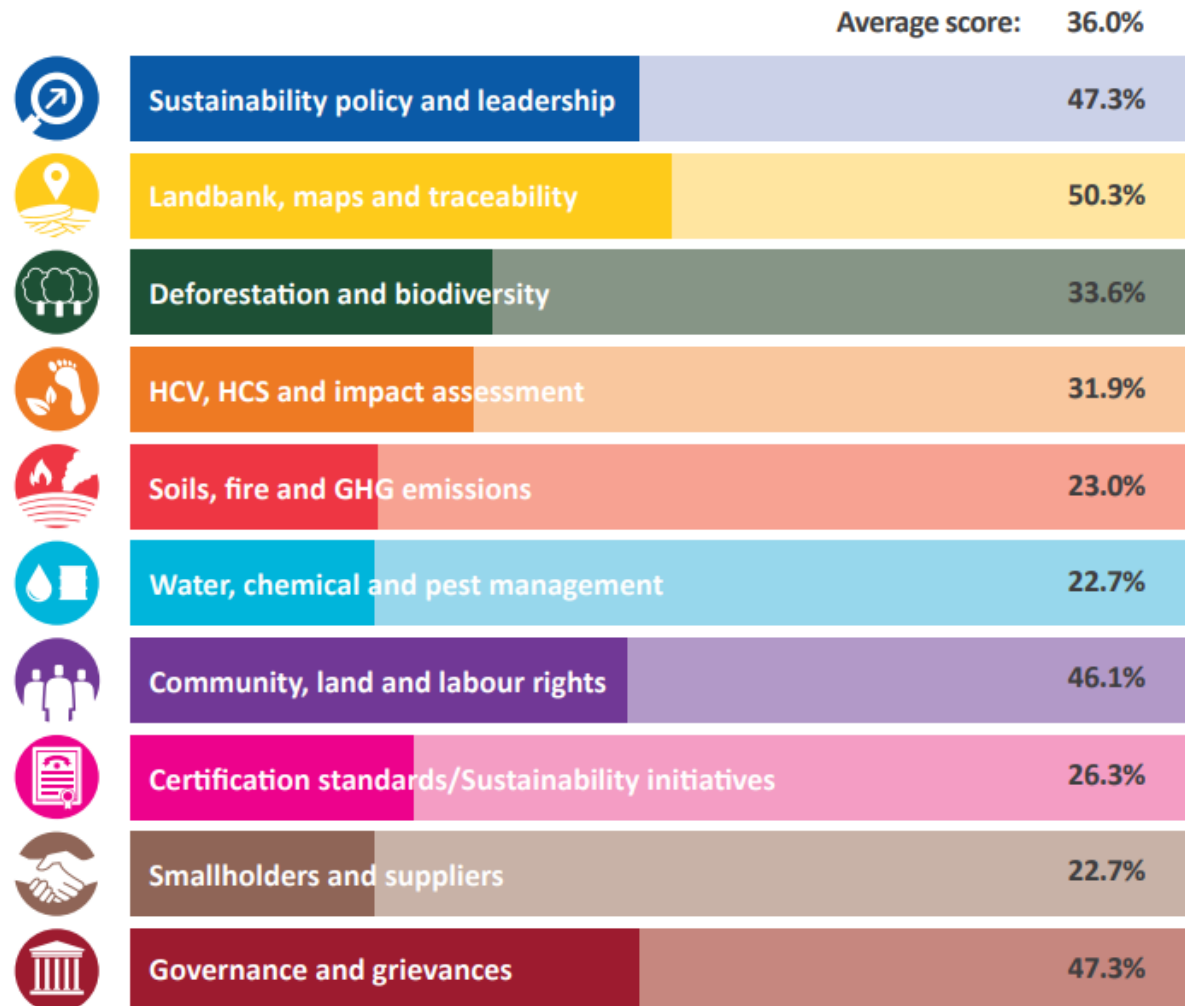
- Main E and S issues highlighted show potential lack of robust governance within companies.
- Existing and new 'frontier' markets are countries with weak governance and rule of law, high levels of corruption.


Note: The Global Platform for Sustainable Natural Rubber has been set up in 2019 to address these ESG issues in the sector. It is a multi-stakeholder platform, more info at www.gpsnr.org

Summary of natural rubber assessments – November 2019

Overview

SPOTT assesses 15 natural rubber producers and processors 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. We encourage stakeholders to engage with companies, as company policies and commitments may not always translate into effective implementation on the ground. SPOTT scores companies across 10 ESG categories:



A three-toed sloth is the central focus of the image, standing amidst dense tropical vegetation. The sloth has long, shaggy brown fur and a very long, pointed snout. It is looking towards the right. The background is filled with various green plants, including some with small yellow flowers. Two large, semi-transparent green circles are overlaid on the image, containing white text. The overall scene is brightly lit, suggesting a sunny day in a forest.

**Rubber
assessments 2019:
11 out of 15 (73%)
companies have
committed to
conserving
biodiversity**

**Only 4 out of 15
(27%) companies
report identifying
species of
conservation
concern**



**Rubber
assessments 2019:**

**9/14 support
smallholders but only 4
report the process of
engaging them.**



**Rubber
assessments 2019:
GPSNR members do
better: average score
GPSNR: 48.7% vs non-
GPSNR 29.6%**

CALL TO ACTION



- Look into your direct and indirect exposure
- See our scorecards and individual company assessments for free on www.SPOTT.org
- Engage companies directly or send them our way
- Get in touch!

Join our Supporter Network

“ *We support SPOTT’s call for increased transparency in commodity sectors to promote sustainable production and trade* ”

www.spott.org/supporter-network/

or

Clara.melot@zsl.org



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.

spott@zsl.org

SPOTT.org

[@ZSLSPOTT](https://twitter.com/ZSLSPOTT)

RYAN WIENER

Global Head, Strategic Marketing
Corrie MacColl Limited



A PRESENTATION FOR CFA INSTITUTE & ZSL



CORRIE MACCOLL

EST 1780
Halcyon Agri Corporation

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A CRITICAL RAW MATERIAL

A material of 'high supply-risk and a high economic importance to which reliable and unhindered access is a concern for European industry and value chains.'

European Commission's 2017 list of critical raw materials for the EU

Condoms • Rubber gloves • Duct tape • Pet toys • Rubber ducks • **Balloons** • Bouncy balls • Lacrosse balls • Erasers • Battery Components • Waterproof boots • **Shoe soles** • Adhesives • Cooking utensils • Cameras • Hair ties • Phone cases • Sportswear • Flip flops • Trampolines • Printing presses • **Prosthetics** • Umbrellas • Playgrounds • Airplane cabins • Door mats • **Exercise mats** • Medicine balls • Table tennis rackets • Appliance Buttons • **Fashion** • Rubber bands • Teething toys • **Tyres** • Cushions • Rubber stamps • Snow mobile treads • Chemical-resistant mats • Hot water bottles • Building waterproofing • Keyboards • Hand tool grips • Flotation products • Doorstops • **Roofing material** • Conveyer belts • Stamps • Scuba gear • Garden hoses • **Flooring** • Expansion Joints for highways and bridges • Paving components • Ear plugs • Rubber combs • Playground tiles • Chemical boiler suits • Pond liners • Mouse pads • **Mattresses** • Submarine seals • Bath plugs • Electrical insulation • Rubber backings • Electrical protection gloves • Raincoats • O-rings • **Gaskets** • Hydraulic Seals • **Hydraulic hoses** • Thermal insulation • **Noise insulation** • Inflatable beds • tape • Vehicle Anti-vibration dampers • Tubing • Vehicle Window & Door seals • Airbags • **Vehicle bumpers** • Jar seals • Window wipers • **Catheters** • Needle sheath covers • **Medical tubing** • Breather bags • Ultrasound Probe Covers • **Medical gloves** • Braces • •

THE WORLD'S LEADING RUBBER FRANCHISE



Global Tyre Applications

38 Factories:

1,600,000mT capacity

1 Plantation:

1,600 ha

Global Non-tyre &
Specialty Tyre

Global Distribution:

400,000mT

2 Factories

3 Plantations:

109,500 ha

Digital Marketplace
for Sustainable
Natural Rubber

Industrial Standards:

HEVEAGROW

HEVEAPRO

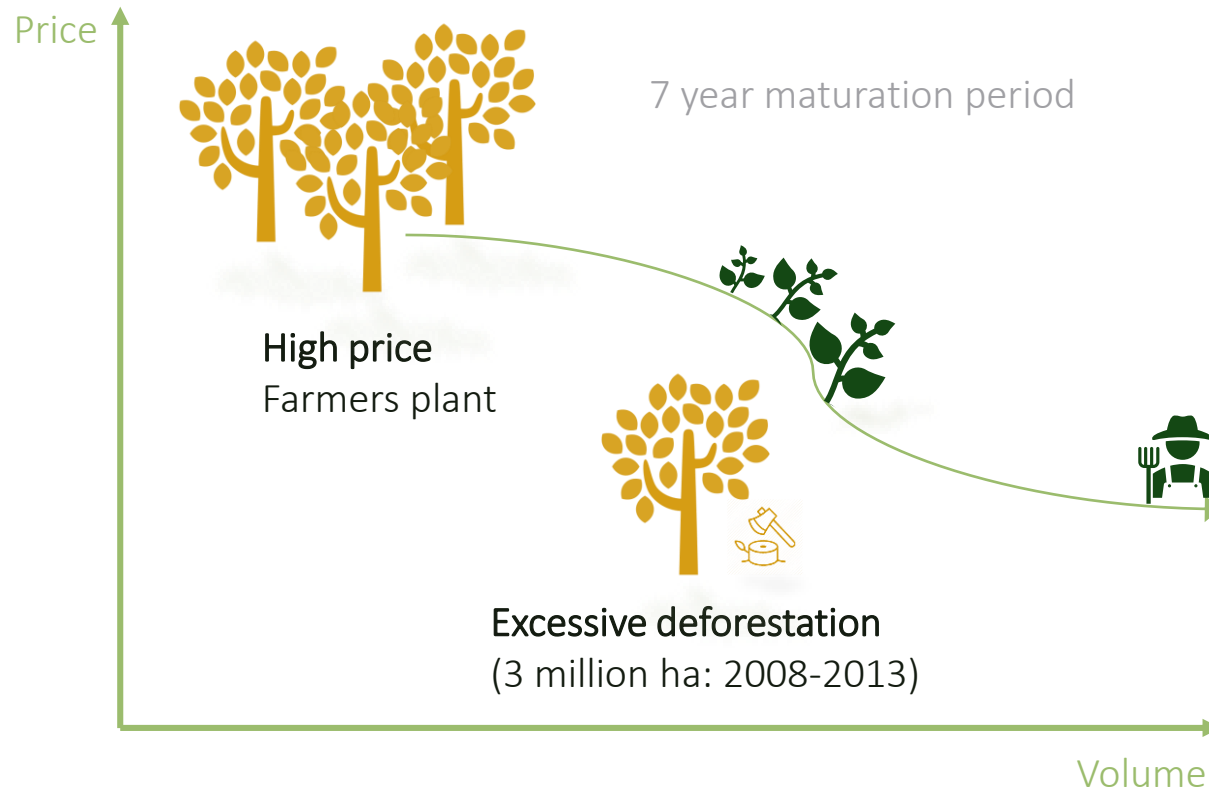
HEVEATRACE

SMALLHOLDERS AND SUPPLY

Sustainable
Sourcing
Policy:



Traceability:



Prices fall

Price x Volume

6 million subsistence
farmers earning less
than minimum wage

LEGACY ISSUES



global witness

Community Displacement

GREENPEACE



Deforestation



MIGHTY EARTH

Free Prior Consent

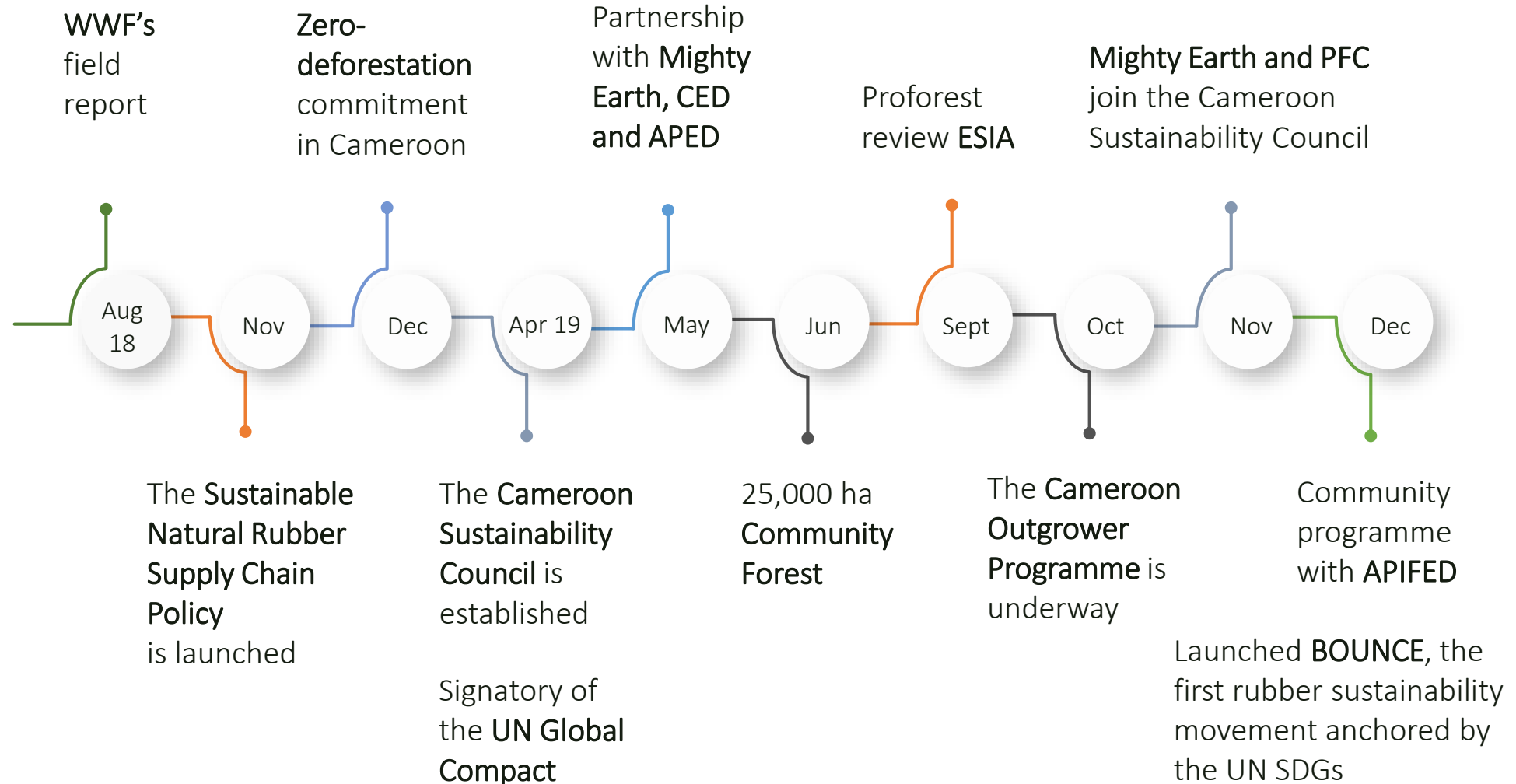
Land Grabbing

Environmental
Misconduct

earthsight

SUSTAINABILITY MILESTONES

Halcyon Agri rated as the 2nd most transparent **rubber** company in ZSL's SPOTT analysis



OPPORTUNITIES



Financing

Green bonds

Green financing

Impact investing



Stakeholders

3rd party endorsement

NGO support



Market Leading Product

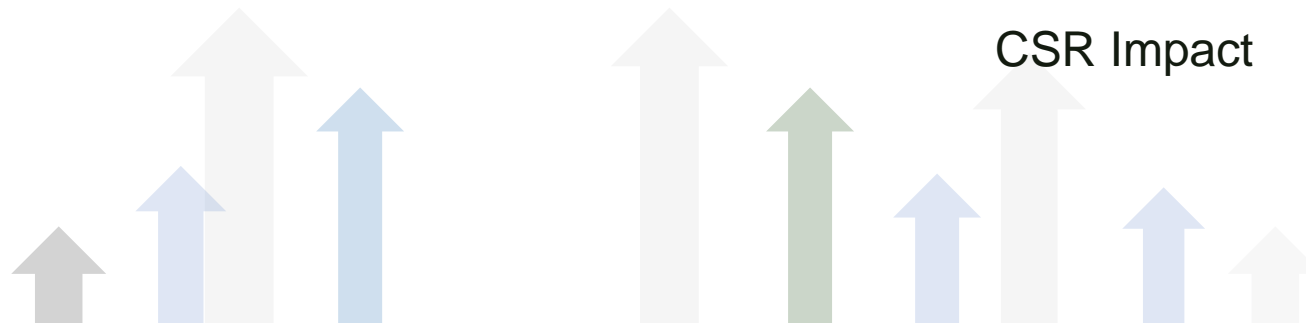
100% traceable

FSC certified

Rainforest Alliance certified

0 net GHG emissions

CSR Impact





CORRIE MACCOLL

EST 1780

Halcyon Agri Corporation

www.corrie-maccoll.com

PAUL SPEED

Director, Operations & Acquisitions
New Forests Asia (Singapore) Pte &
New Forests Asia Sdn Bhd





INVESTING IN SUSTAINABLE NATURAL RUBBER – NEW FORESTS CASE STUDY

SPOTT & CFA Institute Webinar on Natural Rubber and ESG
16 April 2020 – Paul Speed – Director, Operations

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NEW FORESTS -15 YEARS OF SUSTAINABLE FORESTRY INVESTMENT





New Forests' corporate foundations are in investing to create productive and sustainable landscapes to benefit our clients and the communities where we operate.

Our Business

- 


15 years
in business
- 


70
employees
- 


39% female
employees
- 


5 Offices
Sydney and Melbourne, AUS
Tauranga, NZ
Singapore, SG
San Francisco, US

Our Investments

- 

AUD 5.6 billion
in assets under management
- 

3 regional
investment programs
- 

Managing investments in
6 countries
- 

A+ rating
Principles for Responsible Investment

NEW FORESTS' 2019 INVESTMENT IMPACT



As global demand for resources grows, there is a need to increase productivity while ensuring the conservation of the world's remaining natural forests. New Forests seeks to create investment strategies that provide lasting solutions to this challenge. Through responsible management of forests and other real assets, we create shared benefit for investors and local communities alike. We believe that meeting the needs of a broad range of stakeholders will provide better returns over the long term.



INTERNATIONAL FORESTRY INVESTMENT PROGRAMS



New Forests has international reach, with offices and assets in Australia, New Zealand, Southeast Asia, and the US. This gives us a global perspective combined with local expertise that allows us to understand and manage our assets more effectively. Wherever we operate in the world, our strength lies in our people and their drive to make investments that create the best possible outcomes. By investing with integrity and transparency we aim to generate strong returns while helping tackle some of the world's great sustainability challenges.

Investment Structures

- Closed-end comingled funds (10+ yr terms)
- Separate accounts
- Market-rate return objectives
- Blended finance to expand opportunities

Investor Base

- Institutional investors
- Mostly European and North American
- Pensions, sovereign wealth fund, insurance/re-insurance
- Development finance for Asia
- Recent growing interest from mission-driven and impact investors

Australia and New Zealand
AUD 4.9 billion



- Australia New Zealand Forest Fund (ANZFF)
- Australia New Zealand Forest Fund 2 (ANZFF2)
- Australia New Zealand Forest Fund 3 (ANZFF3)
- Co-investments

Southeast Asia
AUD 234 million



- Tropical Asia Forest Fund (TAFF)

United States
AUD 476 million



- Forest Carbon Partners
- Carbon Forestry Separate Accounts (US Carbon Forestry)

TRACKING OUR CONTRIBUTION TO THE SDGs

SUSTAINABLE DEVELOPMENT GOALS



- Achieve higher levels of productivity
- Job creation
- End modern slavery and child labour



- Sustainable management and use of natural resources
- Sustainable consumption and production



- Mobilise climate finance
- Emissions reductions
- Carbon dioxide (CO₂) removals



- Sustainable forest management
- Ecosystem restoration
- Increase afforestation and reforestation
- Reduce natural habitat degradation, biodiversity loss, and extinction of threatened species

- New Forests believes that achieving the SDGs requires an approach that is beyond business as usual and that forestry investment must be a driver of solutions that support the SDGs.
- New Forests prioritises Goals 8, 12, 13, and 15 as the best fit for where we can contribute to achieving the SDGs through managing investments for better ESG outcomes.
- Our SDG Dashboard is in our 2019 Sustainability Report.

COMMITTED TO SUSTAINABLE INVESTMENT



B Corp™

New Forests became a certified B Corp™ in 2018 and received an initial score of 88.1. The company was rated as a B Corp Best in the World in the category of Customers for 2019, reflecting the sustainability integration in our financial services products.

Principles for Responsible Investment (PRI)

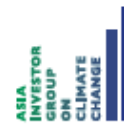
New Forests became a PRI signatory in 2010, and, in 2019, received an A+ rating for its reporting. PRI continues to be a guide for New Forests' RI strategies. Public transparency and assessment reports can be found online at <https://www.unpri.org/signatory-directory/new-forests-pty-limited/1537.article>.

Industry Memberships and Associations

New Forests uses industry association memberships as key elements of our external engagement strategy by participating in networks that are driving industry best practice, advancing sustainable forest management, advocating effective public policy, and growing sustainable-finance markets. New Forests is a member of the following organisations:



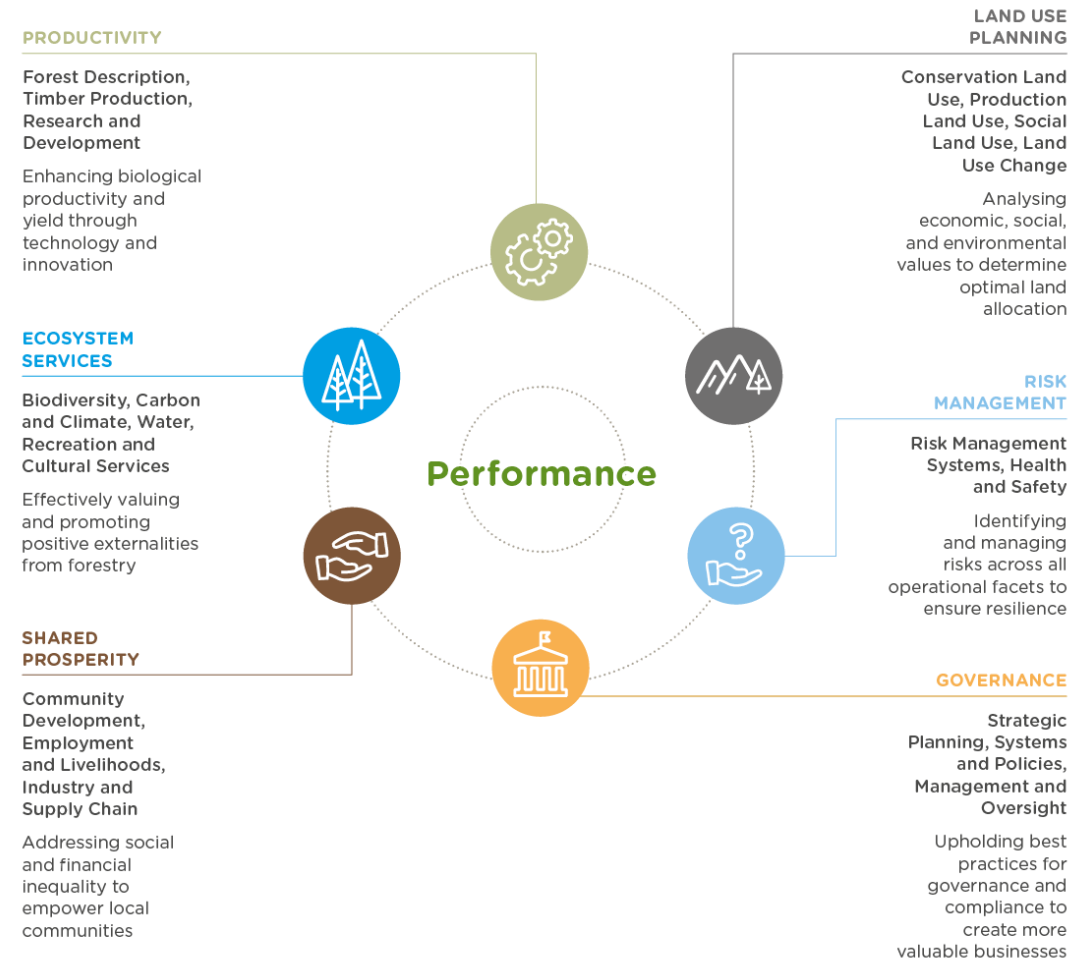
The mark of responsible forestry



SUSTAINABLE LANDSCAPE INVESTMENT



- New Forests’ SLI framework is an integrated approach to managing the material ESG issues in forestry investment.
- We believe this holistic framework enhances investment performance – it can help reduce risk, create value, and support beneficial environmental and social outcomes.
- We use the SLI framework to support investment decision-making, asset management, and investment monitoring.
- We report on ESG and impact through regular quarterly reporting; annual fund ESG reports; and public sustainability reports.



NEW FORESTS' VISION FOR SHARED VALUE

We invest for superior financial returns, as well as positive environmental and social impact

- We believe that focusing on positive environmental and social outcomes ensures steadier and more long-term profitability as well as creates opportunity through shared value business strategies.
- We are actively involved in the management of the sustainable assets that we invest in and aim to use a landscape-based approach, balancing the needs of industry, communities and the environment.
- We want to be part of the solution to the world's major chronic problems for future generations.



Creating shared value within landscapes

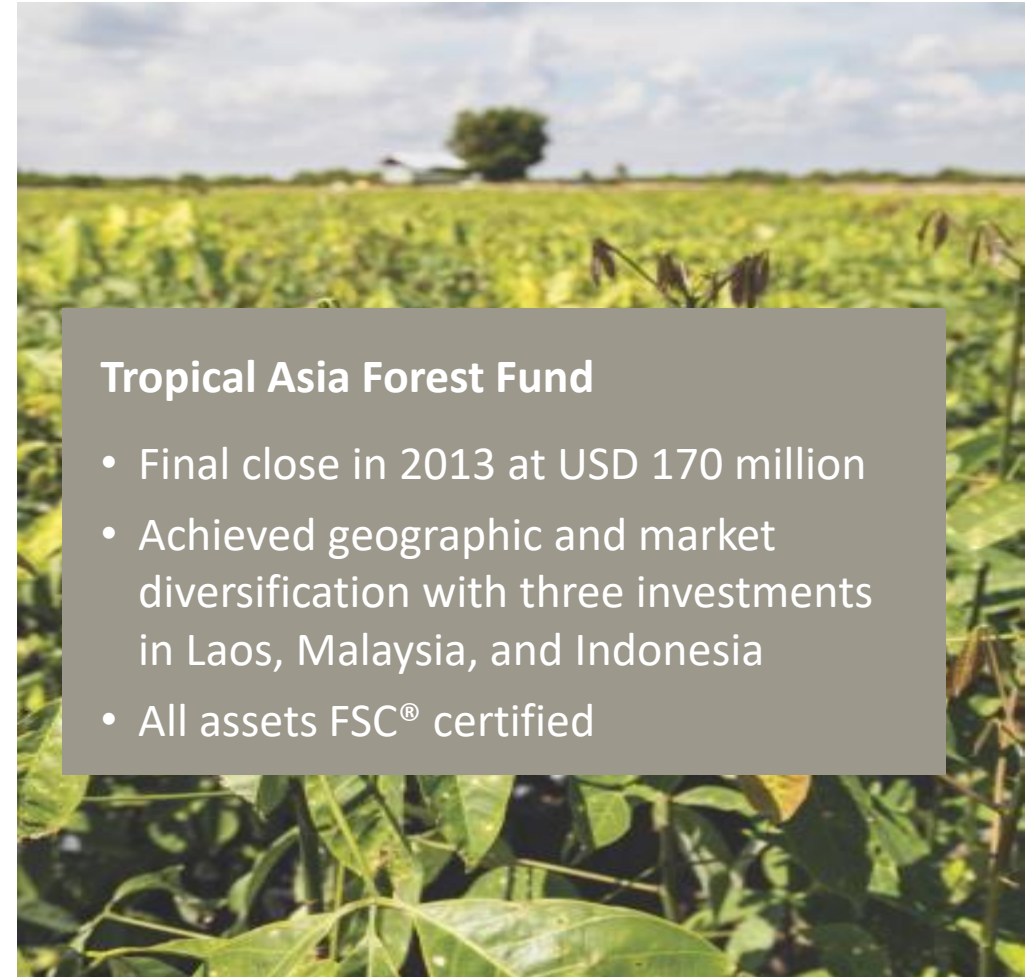
We aim to generate value for all stakeholders in our business, including investors, communities and the environment.



PIONEERING INSTITUTIONAL FORESTRY INVESTMENT IN SOUTHEAST ASIA

Demonstrating the opportunity for sustainable forestry investment in Southeast Asia

- Tropical Southeast Asia is an emerging market for sustainable plantation forestry investment by institutional investors.
- New Forests' Southeast Asian investment strategy focuses on certified plantation forestry with an emphasis on technological and silvicultural improvements.
- Our strategy seeks to capitalise on current trends in the Asian markets that present investment opportunities via joint ventures, partnerships with large conglomerates, and greenfield/brownfield opportunities.
- New Forests' forestry expertise combined with social and environmental management credentials provides an attractive package for partnerships across Southeast Asia.

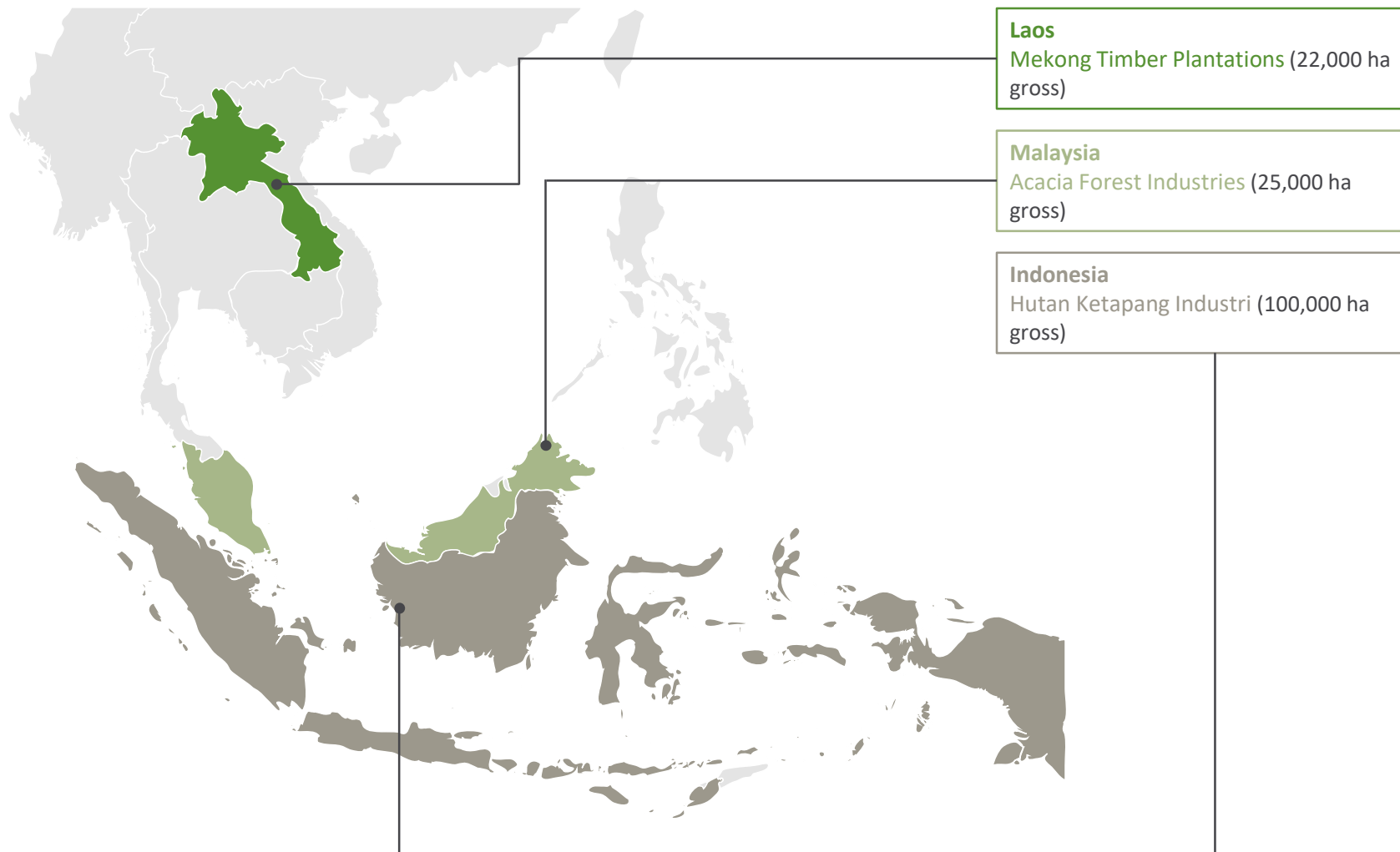


Tropical Asia Forest Fund

- Final close in 2013 at USD 170 million
- Achieved geographic and market diversification with three investments in Laos, Malaysia, and Indonesia
- All assets FSC® certified

New Forests is FSC non-certificate license holder FSC-N002114.
FSC is not responsible for and does not endorse any financial claims on investments.

INVESTMENTS IN SOUTHEAST ASIA



Figures are gross hectares as of December 2018.

PT HUTAN KETAPANG INDUSTRI



PT HUTAN KETAPANG INDUSTRI (HKI) - OVERVIEW



Transaction summary	<ul style="list-style-type: none"> • Joint venture with Indonesian firm Sampoerna Agro TBK (JSX listed).
Description & Strategy	<ul style="list-style-type: none"> • Gross concession area 100,000 hectares. • Estimated 34,600 ha suitable for rubber plantation; 20,145¹ ha already planted, and nursery and primary road infrastructure in place • Expand the plantation with high-yielding latex rubber clones and high standards of conservation and community benefit sharing. • Tapping starting in 2020 • Factory feasibility 2020/21 • >45,000 tonnes of rubber to be produced at capacity • Compliant with IFC PS since 2018, FSC FM & CoC certificate end March 2020.
ESG Due Diligence Framework & Highlights	<ul style="list-style-type: none"> • Alignment of strategic interests with JV partner • Commitment to IFC PS & FSC Principles through shareholder agreements • HCVF framework to plantation design • Social impact risk assessments and gap analysis to best practice (IFC PS & FSC frameworks) – integration into operational planning and execution • New Forests' Board of Commissioner's roles
ESG Support	<ul style="list-style-type: none"> • Key person recruitment rights via Director of Planning and Resources • New Forests Asia operations team dedicated support for local managers • Integration with New Forests' Shared Value and Sustainable Landscape investment approaches • Internal auditing procedures backed up by third-party certification audits • Securing additional support funding for E&S work (UK DFID P4F, etc.)



NewForests

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PANEL DISCUSSION



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Ryan Wiener
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Lee Chestnutt
Deputy Chief
Executive Officer
Corrie MacColl
Plantations



Paul Speed
Director, Operations
& Acquisitions
New Forests Asia
(Singapore) Pte &
New Forests Asia
Sdn Bhd



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Webinar

Webinar: CIO's Insights: Fixed-Income Portfolio Management

In this webinar, Mahendra Jajoo will outline a framework to assess the macro environment and conceptualize views on interest rates. He will also talk about appropriate portfolio construction and risk management practices to avoid big mistakes.

16 Apr 2020, 5:30 PM-6:30 PM IST

Hosted By CFA Institute, CFA Society India

1 cr.

Webinar

Webinar: Career Insights: Navigating Through These Turbulent Times

17 Apr 2020, 6:30 PM-7:30 PM IST

Hosted By CFA Society India

1 cr.

Webinar

Webinar: Are You An Individual Brand?

CFA Society India is pleased to announce the upcoming webinar "Are You An Individual Brand" by Sameer Joshi & Anindya Ghosh" on 21 April, 2020 at 5:30 pm - 6:30 pm IST.

17 Apr 2020, 5:30 PM-6:30 PM IST

Hosted By CFA Society India

1 cr.

Webinar

Webinar: Deep Dive into VIX and Market Volatility

In this webinar, Tim Edwards PhD, Managing Director of Index Investment Strategy at S&P Dow Jones Indices will present a guide to reading VIX.

17 May 2020, 4:00 PM-5:00 PM HKT

Hosted By The Hong Kong Society of Financial Analysts Ltd., CFA Institute Asia-Pacific Research Exchange

1 cr.

Webinar

Webinar: Sector Analysis Series - Cashless Payment Industry

In this webinar, we will explore the huge growth potential with evolving landscape of the cashless payment industry, and the most important competencies for company thriving in this sector.

29 Apr 2020, 6:30 PM-7:30 PM HKT

Hosted By Association of Chartered Certified Accountants, CFA Society Ukraine, CFA Institute Asia-Pacific Research Exchange, CFA Society Malaysia

1 cr.

Webinar

FTSE Russell Q1 2020 Factor Performance Review and Insight

Following publication of FTSE Russell's Market Maps "Factor Indicator" quarterly report Philip Lawlor and Marlies van Boven, will host a 30-minute webinar for investors in APAC.

22 Apr 2020, 3:00 PM-3:30 PM HKT

Hosted By FTSE Russell

65 cr.

Webinar

Applying AI In Business

This session will allow attendees and industry experts to exchange their ideas about the

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<https://cfainst.is/2UP0ywp>



THANK YOU !

