Pacific Standard

Timber companies have the opportunity to protect forests long term

07 August 2019

Forestry companies that manage huge areas of rainforest in the tropics have failed to commit themselves to policies of "zero deforestation," according to an analysis of their environmental policies by the Zoological Society of London.

The latest report from the ZSL's Sustainability Policy Transparency Toolkit (SPOTT) initiative shows that, of the 97 companies it assesses, 77 control land that is not protected from being clear-felled to make way for agricultural plantations or other uses. The companies investigated by the ZSL have a combined landbank of nearly (116 million acres, an area 15 times the size of Belgium or a little greater than California.

The SPOTT analysis even found flaws in the policies of those 20 companies that do commit themselves to sustainable, selective logging: only 11 of them require all their suppliers to uphold the zero-deforestation commitment, and only 12 have adequate reporting systems to monitor deforestation, the ZSL says.

The way in which forestry companies manage these assets is vital, says SPOTT manager Oliver Cupit. "Though forestry operations are not the primary cause of land clearances, they are responsible for degradation," he says. "Once you have taken out the most valuable timbers, that reduces the financial viability of the holding, and that can lead to encroachment from mining and agriculture."

Well-run forestry activities actually protect tropical biodiversity better than no activity at all, Cupit says. "It is better that it goes on than the forest has no financial value, which can make it more prone to more aggressive conversion such as agriculture."

The holdings of forestry companies also play a vital role in mitigating the impacts of climate change, by reducing emissions from deforestation and degradation, according to the ZSL.

SPOTT assesses the companies on the public disclosure of their policies, operations, and commitments to environmental, social, and governance best practices. Each company is given an overall percentage score as a measure of its exposure to these risks.

The top-performing companies tend to be headquartered in Europe, South America, or South Asia, while the majority of those that came out worst were either based in China or African countries, such as the Democratic Republic of Congo or Gabon, where forestry is a significant industry.

The SPOTT data reveals an improvement in the scores since last year for the better-performing companies, and a decline for those doing badly. "If they already have a certain level of transparency, companies are encouraged by having a good score and want to engage with us more," Cupit says. "They know they can use the marketing benefits of having a good SPOTT score to appeal to investors."

The 50 worst-performing companies, in contrast, all achieved an overall score of less than 10 percent, and SPOTT was unable to assess many of them for numerous indicators. The two worst-performing companies are both Chinese, and the ZSL was only able to assess them for less than half of the total score available. "Engaging the lower-scoring countries is the tricky part of what we do," Cupit says.

SPOTT also found that only six out of the 97 companies were assessing the predicted impacts of climate change on the forestry sector. Increasingly frequent droughts, more extreme weather events, and exposure to new tree pests and diseases are three of the main repercussions of rising global temperatures, and these could affect timber yields and therefore company profits, according to the ZSL.

According to Cupit, it is in the interests of logging companies to ensure their operations are sustainable because it's something that financial backers pay increasing attention to. "The investment community is looking at natural commodity investment more and more through the lens of environmental, social, and governance risk," he says.

Woodbois is a United Kingdom-headquartered, publicly listed forestry company that manages 840,000 acres of tropical forest in, primarily, Gabon, and it achieved seventh place in the SPOTT analysis with a score of just under 70 percent. According to its head of corporate development and strategy, Ashkan Rahmati, there's a good reason for Woodbois managing its holdings on a sustainable basis.

"From a commercial perspective, the forest is our asset, and if you don't manage it correctly, then its value diminishes," Rahmati says. "We want our asset to still [be] there in 30 years' time." The company trades predominantly in a timber species called okoumé. Trade in okoumé, which is used in construction or to manufacture furniture and plywood, is not restricted by the Convention on International Trade in Endangered Species, though the species is classified as vulnerable on the International Union for Conservation of Nature Red List.

"We don't harvest anything on Appendix I or II of CITES," Rahmati says. "Even if they've got a quota [i.e. on Appendix II], they shouldn't be harvested."

Woodbois practices what it calls selective logging. Before any harvesting operation begins, the concession is inspected, and trees with a trunk diameter in the appropriate range are marked to be taken out. "At the moment, we typically take out 1.5 trees per hectare—that's probably out of between 600 and 1,000 trees in a hectare in total," Rahmati says.

One area where Woodbois did not perform well was in its commitment to obtain certification, such as that offered by the Forest Stewardship Council, for its operations. It has pledged to gain FSC certification by 2029.

"Our business has been in the form of a turn-around over the past 18 months, and getting accreditation is a long and expensive process," Rahmati says.

Source:https://psmag.com/environment/timber-companies-have-the-opportunity-to-protect-forests-long-term