Spring: a PRI stewardship initiative for nature

Company selection methodology

Spring is a PRI stewardship initiative for nature, convening institutional investors to use their influence to halt and reverse biodiversity loss across the globe by 2030. Spring aims to address the systemic risk of nature loss to societies and secure long-term value creation by enhancing corporate practices, ultimately generating positive, real-world outcomes. In its first phase, Spring focuses on forest loss and land degradation in priority geographies, and on responsible political engagement by companies.

The below document outlines the methodology used to select the focus companies for engagement within the initiative's first phase. The methodology was developed by the PRI executive and reviewed by Spring's signatory advisory committee and technical advisory group ("the advisory groups"). Following feedback from the advisory groups, PRI implemented the methodology with consultancy support.

Overview

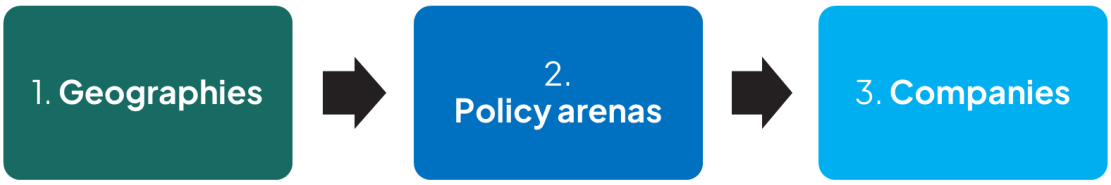
This methodology provides a framework for selecting the companies that investors will engage with in support of the overall objectives of the initiative. The methodology aims to identify the companies that exert influence in policy arenas that affect forest loss and land degradation in priority geographies.

The methodology consisted of three main phases:

- Phase 1: Select priority geographies based on the location of important deforestation fronts, identified through the analysis of the most recent deforestation trends and future deforestation risks, and an assessment of the drivers of deforestation and investor exposure.

- Phase 2: Select policy arenas that shape the drivers of deforestation in the priority geographies. This phase concentrated on identifying emerging policies and regulations, as well as the implementation of current ones in both supply- and demand-side policy landscapes.

- Phase 3: Select focus companies for engagement based on their level of influence in the selected policy arenas via direct political engagement or indirect engagement through trade associations and other representative bodies; their deforestation risks; and investors' ability to influence these companies.



Sector-agnostic approach

Unlike other stewardship initiatives such as Advance and PRI's prior initiatives on deforestation, Spring's company selection methodology is sector-agnostic. PRI deliberately chose to select companies without consideration for their sectors due to the emphasis on responsible political engagement within the initiative's strategy. This approach allows the initiative to target companies within sectors that may not have the largest direct deforestation footprint, but which nonetheless have the potential to influence the dynamics of forest loss and land degradation through their political engagement.

Phase 1 - Geographies

Phase 1 of the methodology aimed to identify the priority geographies that face high risk of future deforestation, and where interventions may have the highest potential of real-world impacts.

Method

Forest loss and land degradation is a complex and dynamic issue, which plays out across geographies and time. The first step of the company selection methodology was to select priority geographies in which tackling deforestation is most critical based on: (i) identifying priority deforestation fronts, and (ii) analysing the drivers of deforestation and investor exposure. Table 1 below summarises the process to select priority geographies in which forest loss and land degradation will be addressed through the initiative.

Table 1: Spring Priority Geography Selection Methodology

Step	Approach
A.1. Priority deforestation fronts – This assessment identifies the priority regions and associated active/emerging deforestation fronts for which conservation would results in the best climate and biodiversity outcomes.	

1. Critical intact forests and land ecosystems	The principle of Land Degradation Neutrality[1] justifies prioritising geographies based on avoided conversion of critical forests and land. This step used desk-based research to assess the location of intact tropical forests and land ecosystems, which present the best opportunity to support climate outcomes whilst conserving biodiversity and respecting the human rights and livelihoods of local communities.
2. Deforestation and conversion hotspots	This step identified the highest priority countries and associated deforestation and conversion fronts (places that have a significant concentration of deforestation hotspots and where large areas of remaining forests are under threat) within tropical regions. This was done by cross-referencing two main datasets: WWF's 2021 deforestation fronts[2] and WRI's top 10 countries for humid tropical forest loss in 2022[3]. Data from Global Forest Watch and the latest research on deforestation trends (e.g., academic sources, NGO reports, and media articles) were used to corroborate and complete the findings.
3. Critical areas for biodiversity conservation	The geographies identified in steps 1 and 2 were mapped in relation to criteria of "high biodiversity importance"[4]. Geographies were assessed with the use of the Integrated Biodiversity Assessment Tool (IBAT) against recognised biodiversity hotspots[5] and Key Biodiversity Areas[6]. This step supported understanding of the associated need to halt deforestation and land conversion in line with Target 1 of the Global Biodiversity Framework (loss of areas of "high biodiversity importance" brought as close to zero as possible by 2030).
A.2. Drivers of deforestation and investor leverage – This assessment looked at the drivers of deforestation in the geographies prioritised under A.1. and aimed to further narrow these down based on global institutional investors' exposure to economic activities linked to deforestation within each region.	
1. Drivers of deforestation and conversion	For each geography and deforestation/conversion front identified in A.1. the commodities that directly and indirectly drive forest loss and land degradation were assessed and mapped. Just as in the steps above,

[1] UNCCD (n.d.). Land Degradation Neutrality. Available from: https://www.unccd.int/land-and-life/land-degradation-neutrality/overview#:~:text=We%20define%20LDN%20as%20%E2%80%9Ca,%E2%80%8B (Accessed 26th January 2023).
[2] WWF (2021). Deforestation fronts: Drivers and responses in a changing world. Available from: https://wwfint.awsassets.panda.org/downloads/deforestation_fronts___drivers_and_responses_in_a_changing_world___full_report_1.pdf (Accessed on 22nd January 2024).
[3] WRI (2022). Forest Pulse: The latest on the world's forests. Available from: https://research.wri.org/gfr/latest-analysis-deforestation-trends (Accessed 30th June 2023). Forest loss is used as a proxy for deforestation.
[4] The precise meaning of "areas of high biodiversity importance" is yet to be formally defined by the Convention on Biological Diversity and its Parties. However, it is used as an umbrella term encompassing an array of area designations (e.g. Alliance for Zero Extinction Sites, Key Biodiversity Areas, Important Bird and Biodiversity Areas, Important Plant Areas, Ecologically and Biologically Significant Marine Areas, biodiversity hotspots) as well as other areas which that, even if not yet designated, are remarkable in terms of habitat or species richness, endemism, ecological integrity or for the ecosystem benefits they provide.
[5] Critical Ecosystem Partnership Fund (n.d.). Biodiversity hotspots defined. Available from: https://www.cepf.net/our-work/biodiversity-hotspots/hotspots-defined (Accessed 22 January 2024).
[6] KBA (n.d.). Key Biodiversity Areas. Available from: https://www.keybiodiversityareas.org/ (Accessed 22 January 2024).

	qualitative desk-based research was undertaken using a mix of academic sources, NGO reports and databases, and media articles (e.g., WWF[7], Global Forest Watch[8], Mongabay[9]).
2. Estimated investor exposure	All identified drivers (i.e. economic activities) were then assessed for the likely level of institutional investor exposure. Three criteria were used as a proxy for potential investor exposure: (i) the economic activity's level of industrialisation (e.g. large-scale agriculture, industrialized mining), (ii) presence of listed companies involved in the activity, and (iii) the extent to which the activity is export-orientated. In addition to the sources mentioned in previous steps, this exercise used data from Trase[10] and corporate reports.

Results

Following the above methodology and review by Spring's advisory groups, PRI selected five geographies and their associated deforestation fronts to inform the subsequent phases of the company selection process:

- Argentina (Gran Chaco)
- Paraguay (Gran Chaco)
- Bolivia (Amazon)
- Brazil (Amazon, Cerrado)
- Indonesia (Borneo, Sulawesi, Moluccas)

The following commodities were identified as key drivers, or potential future drivers of forest loss and land degradation across the priority geographies: palm oil, cattle, soy, pulp and paper, timber, rubber, coffee, cocoa, nickel, gold, bauxite, coal. Further description of these and their connections to deforestation fronts feature in Appendix 2.

Phase 2 - Policy arenas

Phase 2 of the methodology aimed to identify the most important policy processes that shape the dynamics of forest loss and land degradation in the above-mentioned priority geographies.

[7] WWF (2021). Deforestation fronts: Drivers and responses in a changing world. Available from: https://wwfint.awsassets.panda.org/downloads/deforestation_fronts___drivers_and_responses_in_a_changing_world___full_report_1.pdf (Accessed on 22nd January 2024).
[8] Global Forest Watch (n.d.). Map. Available from: https://www.globalforestwatch.org/map/ (Accessed on 26th January 2024). Use of various filters.
[9] Mongabay (n.d.). Various news articles and reports accessible through: https://news.mongabay.com/ (Accessed on 26th January 2024).
[10] Trase (n.d.) Intelligence for sustainable trade. Available from: https://trase.earth/ (Accessed on 26th January 2024).

Method

Following limited success of voluntary corporate no-deforestation commitments, the political commitments to halt deforestation by 2030 are expected to result in increased mandatory measures. Public policies within both consumer and producer countries of forest-risk commodities shape the dynamics of forest loss and land degradation. This includes government policies and regulations at various local, regional, and international levels.

Following this rationale, Phase 2 of Spring's company selection methodology considers the current and emerging policy arenas that are influencing forest loss and land degradation within the priority geographies identified in Phase 1. The analysis considered both supply- and demand-side policy arenas.

What is a policy arena?
For the purpose of this analysis, the term "policy arena" refers to "where companies exert political influence". This is broad by design, as companies and trade associations can influence both specific policies and broader packages of regulations. This approach captures the most relevant policy discussions impacting dynamics of forest loss and land degradation in priority geographies, thereby supporting the identification of companies in Phase 3. The full list of policies considered in this analysis is included in Appendix 4.

Table 2 summarises the methodology applied in Phase 2 of Spring's company selection methodology.

Table 2 Spring Priority Policy Arena Selection Methodology

Step	Approach
B. Priority policy arenas – This assessment sought to identify and analyse policies within supply-side and demand-side countries that are driving deforestation and conversion within the priority geographies identified in Phase 1.	
1. Value chain analysis	Based on the research undertaken in Phase 1, the value chains associated with each driver of deforestation and conversion (A.2.) were built out, creating a picture from the production front to the country of import. This analysis informed which demand-side geographies should be considered for policy analysis. The primary sources used for this step were Trase and the Observatory of Economic Complexity database (OEC).[11]

[11] OEC (n.d.) The best place to explore trade date. Available from: https://oec.world/en (Accessed on 26th January 2024).

2. Policy regulation and identification	With both supply- and demand-side countries of focus established, desktop analysis (supported by a search-enabled large language model) was undertaken to map the policies and regulations in place in each country/region of relevance. This analysis considered both (i) policies that could prevent deforestation, and (ii) policies that could be promoting deforestation as a by-product of their design (in particular those related to the economic drivers behind the trade of the underlying commodities). The various regulations and policies were assessed for their effectiveness in terms of implementation and regulatory mechanisms.
3. Prioritisation of policy arenas	An analysis of the longlist of policies was then used to identify the priority policy arenas. This was further facilitated through combining the results from the policy analysis with insights from expert interviews with businesses, regulators, asset managers, NGOs and others that supported the understanding of the political and economic dynamics behind the drivers of deforestation and land conversion within each region.

Results

Following the application of the above methodology, several policy arenas were selected for further analysis on both the supply- and demand-side.

Supply-side (Priority Geographies from Phase 1)

- Corruption: Addressing corruption could strengthen the impact of existing forestry laws and regulations, which are often circumvented through the corruption of officials.
- Forestry laws: Each deforestation front assessed has existing laws and regulations around forest protection, but there is a general lack of support for enforcement. Addressing implementation (e.g. higher budgets for monitoring and applying penalties) could help halt forest loss.
- Policies related to economic drivers of forest loss and land degradation (e.g., commodities): Each deforestation front assessed has a range of policies that promote the development and trade of the relevant commodities through associated industries that are the primary drivers of deforestation. Amending these policies such that forest loss and land degradation is considered could influence deforestation rates.

Demand-side (EU, China, India)

- Policies related to economic drivers of forest loss and land degradation (e.g., commodities): These policies can have a significant impact on the demand for the commodities and associated products in the priority geographies. Amending these policies such that commodity imports' impact on forest loss and land degradation is considered could influence deforestation rates.

- Due diligence policies related to forest loss and land degradation: These policies have the potential to drive up demand (and therefore the price premium) for zero conversion commodities and products, without necessarily impacting on the overall economic benefits that these commodities provide to the supply-side countries.

Phase 3 - Priority companies

Phase 3 of the methodology aimed to identify the most influential corporate voices in the policy arenas identified in Phase 2, given their ability to contribute to and encourage the development of robust and effective public policy.

Method

Stakeholders across society, including investors and corporates, may participate in the development of forest-related policies and regulations. The last phase of the company selection process focused on identifying those companies that have the potential to exert influence in the identified priority policy arenas. A longlist of listed companies was developed by assessing direct and indirect (e.g. through trade associations) political engagement data; an approach that allowed to mitigate different levels of transparency of corporate lobbying data across regions. A shortlist was selected through a screening method to evaluate (i) deforestation exposure, (ii) engagement through other investor initiatives, and (iii) feedback from the Spring advisory groups.

Table 3 summarises the methodology applied in Phase 3 of Spring's company selection methodology.

Table 3: Spring Priority Company Selection Methodology

Step	Approach
C.1. Longlist of companies – This assessment sought to identify companies with political influence in the priority policy arenas (Phase 2) by assessing direct and indirect lobbying data (EU vs non-EU approach).	

1. Approach for EU-related policy arenas	Desk-based research was used to help undertake a detailed review of lobbying records under the EU Transparency Register and LobbyFact. The results of this analysis were principally extracted through entering targeted search terms into these databases. Company and trade association prioritisation was achieved based on the number of engagements with the EU Commission. Companies with no direct lobbying records but that were members of relevant trade associations were also considered for the longlist.
2. Approach for non-EU-related policy arenas	Limited data is available of direct political engagement in non-EU-related policy arenas, however insights from expert interviews carried out in Phase 2 found that, *in general*, companies in these regions engage with policymakers on sustainability related topics indirectly through trade associations. This assessment first aimed to identify the most relevant trade associations engaging in each policy arena through desk-based research, the use of a search-enabled large language model, and regional expert interviews (commenced in Phase 2). Members of the identified trade associations were then considered for the longlist.
3. Company impact screening	Companies were only added to the longlist based on the following criteria: i) listed or subsidiary of a listed company, ii) market cap > USD 200 million, iii) free float held by institutions > 10 %.
C.2. Shortlist of priority companies – This final step of Spring's company selection process created a shortlist of companies from the longlist developed in step C.1. by applying a final set of criteria.	
1. Deforestation exposure	Companies were assessed and scored based on their known level of exposure to deforestation using ForestIQ[12] and desk-based research that evidenced their exposure to deforestation and land conversion in priority geographies.
2. Overlap with other initiatives	Companies were assessed for overlap with other nature-related stewardship initiatives to ensure the focus company list would be additional to existing engagements. Where overlap was identified but the otherwise strongly met Spring's selection criteria, bilateral conversations were held with the relevant initiatives to discuss the implementation of complementary engagement strategies.
3. Suitability for engagement	Companies were assessed for their suitability for engagement, including by soliciting investor engagement experience from members of Spring's signatory advisory committee (e.g. receptiveness to engagement), and knowledge of corporate practices from the technical advisory group and past PRI initiatives.

[12] Forest IQ (n.d.) Available from: https://forestiq.org/ (Accessed on 26th January 2024).

Results

Following the application of the above methodology, a final shortlist was produced containing the 40 companies to be engaged through the first phase of Spring's initiative. This list will then be expanded to include more companies later in 2024. This list is available here.

Selecting influential companies

The company selection methodology aimed to capture influential companies in the policy arenas that shape the dynamics of forest loss and land degradation in priority geographies. Companies were not assessed against any criteria related to Responsible Political Engagement, zero-deforestation and conversion or other topics. The inclusion of companies therefore does not imply any form of irresponsible conduct.

Appendices[13]

Appendix 1: Launch webinar

To listen to Spring's launch webinar (22 February 2024), please visit this page. The session presents Spring's company selection framework, reflects on its focus companies and provides details on how PRI signatories can participate in Spring.

Appendix 2: Deforestation front and commodity identification

Below is a summary of Phase 1's results in identifying the drivers of deforestation in each priority geography.

Country	Front	Commodity 1	Commodity 2	Commodity 3	Commodity 4
Argentina	Gran Chaco	Cattle	Soy		
Bolivia	Amazon	Cattle	Soy	Gold	Oil and Gas
Brazil	Amazon	Cattle	Soy	Gold	
Brazil	Cerrado	Cattle	Soy	Gold	
Paraguay	Gran Chaco	Cattle	Soy		
Indonesia	Borneo	Palm oil	Pulp and Paper	Coal	Bauxite
Indonesia	Moluccas	Palm oil	Pulp and Paper	Nickel	
Indonesia	Sulawesi	Palm oil	Pulp and Paper	Nickel	

Appendix 3: Supply chain analysis

Using data from a range of sources, the top 3 importing countries for each commodity set out in Appendix 2 were identified. The primary sources for this information were (in order): i) Trase; and ii) OEC. Where that information was not readily available, desktop analysis using research and news articles were used. The outputs are summarised below.

Country	Front	Commodity 1			Commodity 2			Commodity 3		Commodity 4	
Argentina	Gran Chaco	Cattle			Soy			N/A		N/A	
		China	EU		China	India	EU	N/A		N/A	
Bolivia	Amazon	Cattle			Soy			Gold		Oil and Gas	
		China	Peru		Colombia	Chile		India	UAE	Brazil	Argentina
Brazil	Amazon	Cattle			Soy			Gold			
		China	Egypt	Russia	China	EU	Canada	EU	UK		
Brazil	Cerrado	Cattle			Soy			Gold			
		China	Russia	EU	China	Brazil	Canada	EU	UK		

[13] While efforts have been made to ensure that the information contained in these Appendixes has been obtained from reliable and up-to-date sources, the changing nature of statistics, laws, rules and regulations may result in delays, omissions or inaccuracies in information. All information in this report is provided "as-is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, expressed or implied.

Paraguay	Gran Chaco	Cattle			Soy						
		Russia	China	Israel	Chile	EU	India				
Indonesia	Borneo	Palm oil			Pulp and Paper			Coal		Bauxite	
		China	India		Singapore	China	Malaysia	China	India	China	
Indonesia	Moluccas	Palm oil			Pulp and Paper			Nickel			
		China	India		Singapore	China	Malaysia	China			
Indonesia	Sulawesi	Palm oil			Pulp and Paper			Nickel			
		China	India		Singapore	China	Malaysia	China			

Appendix 4: List of policies considered in policy arena analysis (Phase 2)

Summary of findings – Policies considered in supply-side analysis

This table demonstrates the key policies and dynamics within the identified policy arenas on the supply side to facilitate a search of the companies and trade associations influencing those arenas.

Arena	Argentina	Bolivia	Brazil	Indonesia	Paraguay
Corruption	Law No. 27,401 (2017): Introduces corporate culpability in cases of corruption, focusing on corporates	Recently amended its anti-corruption legislation - Law No 1390	Law No. 12,846 (2013): Brazil's Anti-Corruption Law, regulated federally by Decree No. 8,420 (2015) and updated by Federal Decree No. 11,129 (2022); includes substantial changes to the criteria for administrative liability, sanctions, and prosecution	New Criminal Code was implemented in 2023 – which contained revisions to approach to corporate criminality, corruption and bribery[14]	Advances between 2018-2021: Regulatory adoption of open contracting policies by the National Directorate of Public Procurement (DNCP); a package of 10 laws in 2019 as part of the government's strategy for compliance with the Financial Action Task Force (FATF)
Forestry laws	Forest Law (26.331) has demonstrated conservation potential but hampered by insufficient funding. 2024 budget is only 7% of what is stipulated[15]; whilst new Government has proposed to	Development agenda "Patriotic Agenda 2025" lacks concrete plans to safeguard the environment; whilst historical infractions have been pardoned	President Lula has implemented plan to end deforestation in Amazon by 2030 together with enhanced enforcement of environmental laws[17]. In 2023, Law 14,590 was published which enhances	Presidential Decree Number 1 of 2022 revoked over 2000 mining permits that had purportedly been obtained wrongfully; permanent ban of issuing new permits to clear old-growth	Zero deforestation law has been effective but does not extend to the Gran Chaco currently; with in 2022 Decree No 7774/2022 reclassified a number of offences and penalties under

[14] Indonesian New Criminal Code (part two) - Baker McKenzie InsightPlus

[15] Bosques Nativos: el proyecto de presupuesto nacional 2024 le asigna apenas el 7,37% de lo que le correspondería a la Ley de Bosques | Primicias Rurales (ruralprimicias.com.ar)

[17] Exclusive: Amazon rainforest destruction slows sharply year to date, report says | Reuters

	eliminate the ministry of Environment[16]		voluntary carbon markets and economic incentives.	forests and peatlands	the 1973 Forestry Law[18]
Commodity (1)	Argentina's agricultural sector is significantly affected by export taxes – being a major public intervention (implicitly taxing Argentinian products)	Supreme Decree 4701 strengthens domestic food security through EBPA which is allowed to use public lands for agricultural purposes	Pastureland Recovery Policy aims to provide financial incentives for farmers to buy or lease degraded lands to help mitigate against further deforestation[19]	Relevant Nickel related policies include the Ore Export ban and Regulation 55/2019 – both of which are aiming to promote Indonesia up the value chain (e.g. away from exporter of raw commodities)	Beef producers in Paraguay are required to set aside at least 25% of forest on their land[20]
Commodity (2)	Recent election has raised prospect of change in policies and tax deregulation to promote exports – with agricultural associations supportive (e.g. CRA; SRA etc)[21]	Supreme Decree 4786 established the IBAE to promote biodiesel production (including soy)	Proposed new pact and moratorium aimed at halting deforestation by preventing soy traders from buying soy from deforested areas in the Cerrado[22]	Ore export ban also affects Bauxite – causing major imports to seek alternative sources[23] and cause increase in local production of coal due to increased energy demands	Paraguay has developed a new forest monitoring platform and voluntary Traceability System of Paraguay (SITRAP) to improve traceability of commodities
Commodity (3)	Push for policy support to promote and support DCF trade in Cattle and Soy and utilise Argentina strong position re: Visec[24] - Argentina ready to export by Jan 2025 under EU DR		Plano Safra is an agricultural credit program that provides subsidised loans to agricultural producers (rural credit is the most important source of finance for the agricultural sector)[25]	Joint task force with EU and Malaysia re: EU DR implications[26] – this includes plans to legalise illegal Palm Oil plantations under amnesty[27]	
Commodity (4)	New Biofuels Law in August 2021 reduced the biodiesel blend rate from 10% to 5%		Brazil has a high domestic consumption of beef through supermarkets		

[16] 'Extremely worrying': Argentinian researchers reel after election of anti-science president (nature.com)
[18] Nueva reglamentación sobre infracciones y sanciones en materia forestal - Vouga Abogados
[19] Brazil's Lula to present pastureland recovery policy at COP-28 | Reuters
[20] Reducing Deforestation from the Beef Supply Chain: the Story of the Good Growth Partnership | United Nations Development Programme (undp.org)
[21] Argentine farmers: Milei victory an opportunity for 'radical change' for grains sector | ReuterS
[22] Lula proposes pact to curb Brazilian soy linked to savanna deforestation | Reuters
[23] Indonesia bans bauxite exports from June 2023 | Hellenic Shipping News Worldwide
[24] Beef_Traceability_Business_Case_05-21_v7.pdf (rackcdn.com)
[25] Contributions to Sustainability in the Brazilian Agricultural Plan 2023/24 - CPI (climatepolicyinitiative.org)
[26] Palm oil giants Indonesia, Malaysia start talks with EU over deforestation rule (mongabay.com)
[27] Indonesia slammed for 'bowing down' in amnesty for illegal oil palm estates (mongabay.com)ch

Summary of findings – Policies considered in demand-side analysis

This table demonstrates the key policies and dynamics within the identified policy arenas on the demand side to facilitate a search of the companies and trade associations influencing those arenas.

Arena	China	EU	India
Economic drivers (e.g. commodities or associated products)	Soy: - Taskforce on green value chains - COFCI responsible agriculture standard - Soybean reduction plan - Subsidies for soy production - Biofuel production Cattle: - Specifications for Meat Industry Green trade – ensuring that meat free from deforestation - CMA signed the Chinese Sustainable Meat Declaration [28] - Import tariff reductions Palm oil: - Certification schemes - Import quotas - Biofuel production Nickel: - Battery production subsidies - Diversification of import sources due to Indonesia export ban Pulp and Paper: - Domestic increase - Import increase - Import tariffs and certification Coal: - Zero tariff extension[29] to stabilise prices to ensure steady supply[30] Bauxite:	Soy: - EU CAP - EU RED - EU FLEGT Cattle: - EU CAP - Consumer labelling Gold: - EU Conflict Minerals - EU Taxonomy for sustainable activities Nickel: - Critical Raw Materials Act - European Battery Alliance - European Green Deal - EU's Zero-Emission Vehicle	Soy: - Import duty - Minimum support price - GM import restrictions Gold: - Gold import duty Palm Oil: - National mission on Edible Oils (NMOEO) - Sustainable Palm Oil Import Policy – (CSPO imports) Coal: - Nationalised coal industry - Coal gasification to reduce import reliance - National Clean Coal Mission to improve coal efficiency

[28] Beef_Traceability_Business_Case_05-21_v7.pdf (rackcdn.com)
[29] China's coal imports likely to increase in 2023 to stabilize prices - Global Times
[30] The Big Picture: China's customs authority to "support" coal imports — Breakwave Advisors

	- Diversification of import sources due to Indonesia export ban[31]		
Due diligence	Interviews that we undertook indicated that China does not generally seek to impose behavioural policies on supply countries – therefore no equivalent to EUDR currently (for example). Environmental Impact Assessment law does mandate environmental impact assessments for projects that may significantly impact the environment, including within supply chains	EU has a leading role in promoting corporate due diligence – for example CSDDD which focuses on human and environmental rights in the supply chain and Conflicts Mineral regulation. Most important specific regulation is the EUDR, which requires traceability of commodities and prohibits the import of products linked to deforestation – including cattle, soy, palm oil and timber	Limited corporate due diligence requirements – although the Environmental Protection Act of 1986 requires companies to take environmental considerations into account when making decisions about souring practices

APPENDIX 5: LIST OF IDENTIFIED TRADE ASSOCIATIONS

Below features the list of trade associations identified in connection with the supply- and demand-side policy arenas for Phase 3 of the company selection process.

Abbreviation	Full Title	Country	Industry Sector
European Steel Association	European Steel Association	EU	Steel
COCERAL	Comité du Commerce des céréales, aliments du bétail, oléagineux, huile d'olive, huiles et graisses et agrofournitures	EU	Grain, Livestock Feed, Oils
EUROBAT	Association of European Automotive and Industrial Battery Manufacturers	EU	Batteries
Charge Up Europe	Charge Up Europe	EU	Electric Vehicles
FoodDrinkEurope	FoodDrinkEurope	EU	Food and Beverage
FEDIOL	The EU Vegetable Oil and Proteinmeal Industry Association	EU	Vegetable Oil, Proteinmeal
CIARA-CEC	Cámara de la Industria Aceitera de la República Argentina - Centro de Exportadores de Cereales	Argentina	Soy, Cereals
ACSOJA	Asociación de la Cadena de la Soja Argentina	Argentina	Soy
APIA	Asociación de Productores Independientes de Algodón	Bolivia	Cotton
ABIOVE	Associação Brasileira das Indústrias de Óleos Vegetais	Brazil	Palm Oil
ANEC	Associação Nacional dos Exportadores de Cereais	Brazil	Grain
ABEIC	Associação Brasileira das Indústrias Exportadoras de Carnes	Brazil	Beef
ABRAS	Associação Brasileira de Supermercados	Brazil	Supermarkets
IBRAM	Instituto Brasileiro de Mineração	Brazil	Gold, Mining
CPC	Cámara Paraguaya de la Carne	Paraguay	Meat (Beef, Chicken, Pork)
APS	Asociación Paraguaya de Productores de Soja	Paraguay	Soy
AP3I	Asosiasi Pengusaha Penyulingan dan Pemurnian Indonesia	Indonesia	Smelting

[31] China sees increase in bauxite imports from non-mainstream sources | Mysteel

GAPKI	Gabungan Pengusaha Kelapa Sawit Indonesia	Indonesia	Palm Oil
European Biogas	European Biogas Association	EU	Biogas
APKI	Asosiasi Pulp dan Kertas Indonesia	Indonesia	Pulp and Paper
APNI	Asosiasi Produsen Nikel Indonesia	Indonesia	Nickel
ICMA	Indonesia Coal Mining Association	Indonesia	Coal
CCAI	Coal Consumers' Association of India	India	Coal
SEA	Solvent Extractors' Association of India	India	Oil Extraction
SOPA	Soybean Processors Association of India	India	Soybean Processing
China Soybean Industry Association	China Soybean Industry Association	China	Soy
CMA	China Meat Association	China	Meat
CFNA	China Chamber of Commerce of Foodstuffs and Native Produce	China	Foodstuffs
CSPOA	China Sustainable Palm Oil Alliance	China	Palm Oil
CBIA	China Battery Industry Association	China	Batteries
China Paper Association	China Paper Association	China	Paper
CTAPI	China Technical Association of Paper Industry	China	Pulp and Paper
CNCA	China National Coal Association	China	Coal, Bauxite
CNIA	China Nonferrous Metals Industry Association	China	Nonferrous Metals
Indonesian Biofuel Producers Association	Indonesian Biofuel Producers Association	Indonesia	Biofuels
Indonesian OleoChemical Producers Association	Indonesian OleoChemical Producers Association	Indonesia	Oleochemicals
MCA	Minerals Council of Australia	Australia	Mining
ASD	Action for Sustainable Derivatives	International	Sustainable Derivatives
ABIA	Brazilian Food Industry Association	Brazil	Food Industry
Febraban	Brazilian Federation of Banks	Brazil	Banking