



HOW U.S. SNACK FOOD BRANDS

ARE CONTRIBUTING TO ORANGUTAN EXTINCTION,
CLIMATE CHANGE AND HUMAN RIGHTS VIOLATIONS

EXECUTIVE SUMMARY





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In rainforests half a world away from the United States, orangutans are making their last stand for survival. Scientists warn that these gentle and intelligent animals, among humankind's closest kin, could become extinct within our lifetime if their rainforest homes continue to be destroyed for palm oil plantations. But the primary threat pushing them toward extinction lies much closer to home than you may think: you'll find it hidden in the snack food aisle of your local grocery store, and likely in your own shopping cart.

When you eat food that comes out of a bag, a box, or a package of any kind, chances are you are eating palm oil. It is added to chocolate, turned into fry oil, and snuck into snacks of all sorts—in fact, it can now be found in roughly half the packaged food products sold in grocery stores. This palm oil comes at a terrible human and environmental cost. Skyrocketing demand has driven massive, industrial palm oil plantations into millions of acres of formerly lush rainforest habitat in Indonesia and Malaysia, worsening climate change and causing widespread human rights violations.

This report announces the launch of an ambitious new national campaign by Rainforest Action Network (RAN) called “The Last Stand of the Orangutan.” This campaign exposes the dark secret of conflict palm oil in the U.S. snack food industry and calls on companies to adopt responsible palm oil policies and commit to only using traceable palm oil that is free of deforestation, carbon-rich peatlands and human rights violations.

RAN's carefully selected “Snack Food 20” group of companies are named here publicly for the first time. This report assesses the palm oil purchasing commitments and policies of each of these influential corporations and spells out the critical role they have in reforming the destructive practices widely associated with palm oil production.



INTRODUCTION

This report documents the alarming secret of conflict palm oil in America's most popular snack food brands and publicly lists RAN's "Snack Food 20" by name for the first time. This report describes why conflict palm oil is an urgent global problem and how twenty of America's most popular snack food companies are key to achieving traceable, responsible palm oil in our food supply.

The dramatic and growing global demand for palm oil in recent decades has fueled a massive expansion of industrial palm oil plantations deep into some of the world's most valuable rainforests. Palm oil production is now one of the leading causes of tropical deforestation and the degradation of carbon-rich tropical peatlands, making palm oil a major global driver of human-induced climate change.

The expansion of industrial palm oil plantations directly threatens the survival of critically endangered species like the Sumatran and Borneo orangutan, Sumatran tiger, and Sumatran and pygmy elephants.

Palm oil production is also responsible for widespread human rights violations and ongoing conflicts with communities whose rights, livelihoods, and lands are being stolen and developed without their Free, Prior, and Informed Consent. Plantation workers are frequently victims of serious exploitation, including being trafficked into bonded labor, being forced to live and work under extreme conditions, with limited legal recourse, and suffering from abuse or the threat of abuse. Child labor is also known to be rampant throughout palm oil plantations.

WHAT IS PALM OIL?

Palm oil is a globally traded agricultural commodity that is found in roughly half of packaged goods sold in grocery stores.¹ Palm oil and its derivatives are used in a remarkable array of products, such as ice cream, cookies, crackers, chocolate, cereals, breakfast bars, cake mixes, doughnuts, potato chips, instant noodles, frozen sweets and meals, baby formula, margarine, and dry and canned soups. Palm oil is also found in detergents, soaps, personal care products, and increasingly as a feedstock for biofuels. Palm oil is derived from pulping the fruit of oil palms originally native to Africa.



CONFLICT PALM OIL IN AMERICA'S FAVORITE SNACK FOODS



Packaged snack foods are among the most visible points of contact where conflict palm oil enters the lives and homes of most Americans on a daily basis. Palm oil is found in roughly half of packaged goods sold in grocery stores¹⁶. Palm oil and its derivatives are used in a remarkable array of products, such as ice cream, cookies, crackers, chocolate products, cereals, breakfast bars, cake mixes, baked products, doughnuts, potato chips, instant noodles, frozen sweets and meals, baby formula, margarine, and dry and canned soups.

An estimated 74 percent of global palm oil is used in food products and cooking.¹⁷ This is why global food companies, including the “Snack Food 20” exposed in this report, have an important role to play in transforming the way palm oil is grown and produced.

With over 950 brands included in the “Snack Food 20,” most American households can find examples of these products in their kitchen pantry. Eleven of the “Snack Food 20” companies are ranked in the top 1000 of this year’s Forbes Global 2000 list of biggest public companies, seven are listed in Newsweek Green Rankings 2012’s Top 500 Global Companies, and many others have won individual business recognitions for being a “responsible company.”

Each of these companies can play a critical role in stopping forest destruction, climate change, human rights violations, and forced and child labor. Each of these companies is currently feeding the demand for conflict palm oil by buying from global commodities traders like Cargill, Archer Daniels Midland Company (ADM), Fuji Oils, Aarhuskarlshavn (AAK), Wilmar International Limited, IOI Group, Bunge and Kuala Lumpur Kepong Berhad (KLK), who in turn are buying, and in some cases growing, conflict palm oil from plantations in Southeast Asia. This means the “Snack Food 20” have significant buying power and can help transform the way palm oil is produced by demanding responsible palm oil, not conflict palm oil, from their suppliers.



Conflict palm oil vs. Responsible palm oil vs. RSPO “Sustainable” palm oil

- A DEFINITION OF TERMS

Conflict palm oil is produced under conditions associated with the ongoing destruction of rainforests, expansion on carbon-rich peatlands, and/or human rights violations, including the failure to recognize and respect the customary land rights of forest-dependent communities and the use of forced labor and child labor.

The expansion of palm oil plantations into natural rainforests and customary lands of Indigenous Peoples and rural communities causes widespread conflict across Indonesia and Malaysia. It causes conflict between people and wildlife as palm oil plantation workers too often shoot, kill, or capture orangutans, elephants, and tigers that have lost their habitat and wander onto plantations. There is conflict between Indigenous Peoples and palm oil producers who gain permits from government officials but fail to obtain Free, Prior, and Informed Consent (FPIC) before they clear their forests for palm oil. There is horizontal conflict between community members who accept compensation from palm oil companies and those that do not accept compensation and continue to oppose the development of their lands for palm oil. There is conflict when palm oil companies deprive workers and children of their fundamental rights and subject them to forced labor conditions. Additionally, there is conflict with the law when illegally grown palm oil freely enters the global palm oil supply chains of the world's largest palm oil traders. And finally there is conflict with a low-carbon future, as tropical forests and carbon-rich peatlands are destroyed to make way for palm oil plantations, sending huge amounts of heat-trapping carbon into the atmosphere.¹⁸

Conflict palm oil contaminates almost all globally traded palm oil and is used to make food products consumers buy every day from the many trusted brands offered by the “Snack Food 20.”

Responsible palm oil is palm oil that is produced without contributing to deforestation, expansion on carbon-rich peatlands, and/or the violation of human and labor rights. Responsible palm oil is produced legally and can be verifiably traced back to the plantation where it was grown.

The term **RSPO “sustainable” palm oil** has been diluted by association with the weak certification standards of the Roundtable on Sustainable Palm Oil (RSPO). It has been further diluted by the many companies who buy GreenPalm certificates (which provide small monetary support to producers following the RSPO “sustainable palm oil” standards) rather than buying segregated RSPO-certified palm oil (which is sourced from a known RSPO certified producer and is not mixed with controversial sources at any point in the supply chain) or, better yet, responsible palm oil. These companies can then put the GreenPalm logo on their packaging and websites to make the palm oil in their products appear sustainable, but in reality the company still buys conflict palm oil and pays a very low fee to “offset” their palm oil use.

Many companies are buying mass balance RSPO-certified palm oil (which allows mixing of RSPO-certified palm oil and non-RSPO-certified palm oil) and claiming they are sourcing 100% sustainable palm oil. There is growing concern that this amounts to little more than a greenwashing tactic to the point that “sustainable palm oil” is no longer a useful term to distinguish good palm oil from bad. Consumers are being misled by labels on products that say “sustainable” but contain palm oil from producers still causing rainforest and peatland destruction.¹⁹

Companies that produce, trade, and use palm oil must go beyond the inadequate “sustainable” standards of the RSPO to be truly responsible.



THE SNACK FOOD 20

The “Snack Food 20” are Campbell Soup Company; ConAgra Foods, Inc.; Dunkin’ Brands Group, Inc.; General Mills, Inc.; Grupo Bimbo; Hillshire Brands Company; H.J. Heinz Company; Hormel Foods Corporation; Kellogg Company; Kraft Food Group, Inc.; Krispy Kreme Doughnuts Corp.; Mars Inc.; Mondelez International, Inc.; Nestlé S.A.; Nissin Foods Holdings Co., Ltd.; PepsiCo, Inc.; The Hershey Company; The J.M. Smucker Company; Toyo Suisan Kaisha, Ltd.; and Unilever.

Why Snack Foods?

RAN has carefully chosen these twenty corporations because they are globally significant snack food manufacturing companies that consume palm oil and/or palm oil derivatives. As a group, the “Snack Food 20” gross more than \$432 billion in revenue annually, and sell their products in dozens of countries in addition to the U.S., including Southeast Asia, India, China, Japan, and Europe. Together, they have the power to engage with their global supply chains to drive a fundamental transformation of the way palm oil is traded and produced.





RECOMMENDATIONS:

A ROADMAP TO RESPONSIBLE PALM OIL



International food companies are increasingly coming to understand and acknowledge that they have a critical role, alongside NGOs and national governments, in changing the way palm oil is produced in order to stop the terrible toll it now costs. Responsible snack food companies can use their buying power to drive changes by taking the following steps:

- 1. Articulate social and environmental commitments:** Make a public commitment to protect rainforests, peatlands, climate, biodiversity and human and labor rights and to eliminate conflict palm oil from the company's supply chain.
- 2. Adopt a global responsible palm oil procurement policy:** Develop and implement a global policy that requires palm oil that is 100 percent traceable and does not come from illegal sources or companies that contribute to deforestation, expansion on carbon-rich peatlands, and/or the violation of human and labor rights.
- 3. Develop a robust time-bound implementation plan:** Set measureable time-bound performance targets and outline auditing and verification measures for implementing the company's responsible palm oil policy. Publicly report on progress annually.
- 4. Create supply chain transparency and traceability:** Work with suppliers to develop 100 percent traceable supply chains to ensure the sources of all palm oil are known, documented, and grown in accordance with the company's responsible palm oil policy.
- 5. Require suppliers to eliminate sources of conflict palm oil:** Make and implement a time-bound plan to eliminate palm oil sourced from companies who continue to produce conflict palm oil. Work with supply chain partners who are willing to deliver traceable supply chains, eliminate conflict palm oil and adopt comprehensive responsible palm oil policies.
- 6. Become an advocate for protecting rainforests, peatlands, climate, biodiversity and human and labor rights.** Work with peers and other stakeholders, including governments, to advocate for wider actions that address underlying causes of conflict palm oil, reduce adverse environmental and social impacts from supply chains, and support enabling laws and regulations, policies and actions in both producer and consumer countries.

If the "Snack Food 20" companies take these steps, the demand for responsible palm oil will grow and provide a significant incentive for palm oil producers to fundamentally change their practices and stop destroying rainforests, worsening climate change, and violating human and labor rights.

