



Snack Food 20 Policy Implementation Evaluation: A Framework to Assess the Implementation of No Deforestation, No Peatland and No Exploitation Commitments

In November 2014, Rainforest Action Network (RAN) published a report titled “*The Last Place on Earth - Exposing the Threats to the Leuser Ecosystem: A global biodiversity hotspot deserving protection*” which named over 30 palm oil companies producing, processing and supplying palm oil grown at the expense of the Leuser Ecosystem’s lowland rainforests and peatlands. The report traced supply chains to major consumer goods manufacturing companies RAN dubbed the “Snack Food 20.” The report called on the Snack Food 20 to ensure that they were not sourcing Conflict Palm Oil or contributing to the destruction of the Leuser Ecosystem. The report specifically called on companies to rapidly adopt and implement global responsible palm oil procurement policies. Truly responsible policies must demand fully traceable, legally grown palm oil which is sourced from verified responsible producers which are not associated with deforestation, expansion onto carbon-rich peatlands, social conflict or human and labor rights violations.

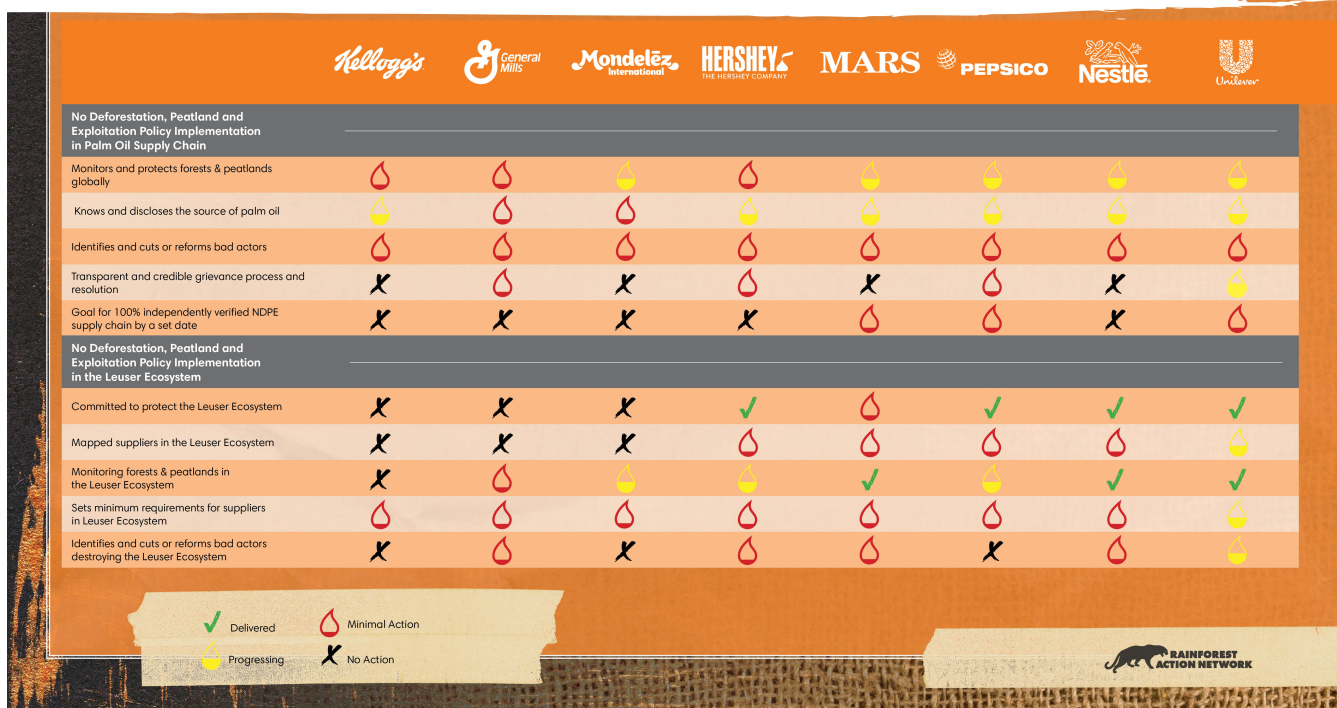
In 2015, RAN published an assessment of the palm oil procurement policies of the Snack Food 20 in a Scorecard and a report titled “*Testing Commitments to Cut Conflict Palm Oil*” which called on each company to immediately enforce a moratorium on land clearance to ensure the protection of carbon-rich peatlands and lowland rainforests inside the Leuser Ecosystem. These areas are critical habitat for some of the last wild Sumatran orangutans, tigers, elephants, rhinoceros and sunbears. In subsequent publications¹, media reports and on <http://www.leuserwatch.org/>, RAN has continued to expose the failure of snack food companies to ensure that palm oil producers and mill operators comply with the moratorium.

In the lead up to 2020 — the deadline for eliminating deforestation from forest-risk commodity supply chains by the [Consumer Goods Forum](#) and a critical mass of global brands and agribusiness companies — Rainforest Action Network assessed the performance of eight of the largest Snack Food 20 companies on the implementation of their No Deforestation, No Peatland and No Exploitation (NDPE) policy commitments. Those eight companies include Unilever, Nestlé, PepsiCo, Mondelēz, General Mills, Kellogg’s, Mars and The Hershey Company. All eight companies provided a response to our survey on both the implementation of their policies across their global supply chains, and across their palm oil supply shed located inside and around the Leuser Ecosystem—a priority landscape threatened by ongoing deforestation for Conflict Palm Oil. We assessed the performance of each company on the basis of the information provided in their completed surveys, as well as other publicly available information.

¹ [The Last Place on Earth: Tracking Progress and New Opportunities to Protect the Leuser Ecosystem and Protecting the Leuser Ecosystem: A Shared Responsibility](#)

The graphic below shows how the Snack Food giants compare on the implementation of their palm oil sourcing policies.

HOW DO THE SNACK FOOD GIANTS COMPARE ON CUTTING CONFLICT PALM OIL?



No Deforestation, No Peatland and No Exploitation Implementation in Global Supply Chains

Our assessment has found that:

- The policy commitments of Unilever, Nestlé, PepsiCo, Mondelez, General Mills, Kellogg's, Mars and The Hershey Company have not stopped deforestation, threats to endangered species, or delivered respect for human rights or remedy for exploitation of Indigenous Peoples, local communities and workers.
- A number of companies have invested in deforestation monitoring systems to identify the culprits and causes of deforestation in their supply chains, but none have succeeded in halting deforestation across their global supply chains, or in Indonesia —the largest palm oil production region on the planet, which is rife with deforestation. Unilever, has taken on a leading role through [pioneering investments](#) in collaborative deforestation monitoring systems, while Mars, Mondelez and PepsiCo have come on board more recently in [a collaborative initiative](#) to support a transparent monitoring system informed by radar-technology. Nestlé has a [deforestation monitoring system](#) covering its entire global supply chain.
- All companies have increased transparency and begun reporting on the palm oil mills they source from but to date, not one company can communicate to consumers the plantations, or farms, where all the palm oil they sourced was grown. Achieving this level of traceability

is an integral milestone towards demonstrating progress towards the full implementation of their responsible palm oil policy commitments. Unilever is the only company able to demonstrate innovative ways it is tracking the source of the palm oil it uses.

- None of the companies have adequate systems in place to identify and cut or reform non-compliant suppliers in their supply chains. While some have started proactively monitoring deforestation, none have in place comprehensive due diligence systems nor a public non-compliance protocol to ensure a consistent, comprehensive, and robust approach in identifying and responding to non-compliance. Public suspensions of non-compliant suppliers typically only happen after significant public pressure from NGOs, and no company has demonstrated a systematic approach to addressing human rights non-compliance in their supply chains.
- All eight companies lack a fully transparent and credible grievance mechanism with a UNGP aligned process and comprehensive reporting on grievances. Unilever is the only company to maintain [a comprehensive grievance log](#) and have [a publicly accessible grievance process](#). However, Unilever cannot yet demonstrate remedy in line with the UN Guiding Principles is delivered across its supply chain. [The Hershey Company](#) pledged to adopt a public grievance process and log in Q1 of 2020; General Mills recently adopted [a public grievance log](#); and PepsiCo has a publicly accessible [grievance process](#) with reference to the UN Guiding Principles but does not maintain a comprehensive public list of grievances.
- None of the eight companies have a goal and time-bound plan to achieve 100% independently verified NDPE supply chains using credible forms of independent verification. PepsiCo and Unilever have set out a 2020 goal to achieve NDPE, and Mars has a 2020 goal for 'No Deforestation' with human rights compliance coming later, but none have articulated a clear time-bound plan for achieving their goals, nor clarified how they intend to credibly demonstrate NDPE compliance using independent verification.

No Deforestation, No Peatland and No Exploitation Implementation in Leuser Ecosystem

Our assessment has found that:

- Despite five years of knowing that their consumption of palm oil was driving the destruction of the Leuser Ecosystem Unilever, Nestlé, PepsiCo, Mondelēz, General Mills, Kellogg's, Mars and The Hershey Company have not traced palm oil sourced from the region to the plantation or farm level, enforced moratoriums on deforestation and peatland development, or intervened to protect and restore the last habitat strongholds for the Sumatran orangutans, Sumatran rhinos, Sumatran elephants and Sumatran tigers.
- Established deforestation monitoring systems by Unilever, Nestlé, and Mars are not yet resulting in an end of deforestation or peatland destruction, in part due to the failure of snack food giants to directly engage with palm oil producers responsible for deforestation. In the case of The Hershey Company, its system is only monitoring deforestation in a limited area, and it is not reporting on actions taken in response to all deforestation cases identified.
- During the period of our assessment, and following the [release of our field investigations](#) showing ongoing sourcing of illegal palm oil grown inside the nationally protected Rawa

Singkil Wildlife Reserve, [Unilever](#), [PepsiCo](#), [Nestlé](#), and [The Hershey Company](#) issued a public commitment to intervene to protect the Leuser Ecosystem.

- Unilever, Nestlé, PepsiCo, Mondelēz, General Mills, Kellogg's, Mars and The Hershey Company all remain complicit with the destruction of the Leuser Ecosystem and have failed to address and publicly report on actions taken in response to all reported grievances.

The following scoring criteria were used to assess the companies' implementation of 'No Deforestation, No Peatland and No Exploitation' commitments across their supply chains and specifically within the Leuser Ecosystem

Section 1 - Assessment of NDPE Policy Implementation in Palm Oil Supply Chain	Section 2 - Assessment of NDPE Policy Implementation in the Leuser Ecosystem
Monitors and protects forests & peatlands globally	Committed to protect the Leuser Ecosystem
<u>No Action</u> - No published no deforestation policy, no requirement to apply the High Carbon Stock Approach (HCSA) methodology to implement no deforestation commitments	<u>No Action</u> - No specific public commitment to interventions to protect forests and peatlands in Leuser Ecosystem
<u>Minimal Action</u> - Has a published no deforestation policy, lacks adequate proactive enforcement of moratorium, no incentives to protect and restore forests	<u>Minimal Action</u> - No published commitment to interventions to protect forests and peatlands in Leuser Ecosystem, some demonstrable interventions to protect forests and peatlands in specific areas within the Leuser Ecosystems, interventions are not landscape-wide
<u>Progressing</u> - Active deforestation and peatland monitoring system at the brand level (not relying on suppliers monitoring efforts), cut-off date for deforestation in effect	<u>Progressing</u> - A published commitment to interventions to protect forests and peatlands in Leuser Ecosystem is imminent
<u>Delivered</u> - Effective global monitoring system and systems to enforce a moratorium are in place, demonstrable protection and restoration of forests	<u>Delivered</u> - A published commitment to interventions to protect forests and peatlands in Leuser Ecosystem
Knows and discloses the source of palm oil	Mapped suppliers in the Leuser Ecosystem
<u>No Action</u> - No traceability efforts	<u>No Action</u> - No mapping of suppliers in, or sourcing from, the Leuser Ecosystem. May have published mill lists but did not submit a subset list of mills that are known to source from the Leuser Ecosystem region
<u>Minimal Action</u> - Efforts to achieve traceability to mill, inadequate efforts to advance traceability to the plantation/farm level	<u>Minimal Action</u> - Known list of refineries and/or mills sourcing from the Leuser Ecosystem

<u>Progressing</u> - Public commitment to achieve traceability to the plantation/farm level, deadline and progress on traceability to the plantation reported on	<u>Progressing</u> - Known refineries, list of mills, known producers in supply chain in Leuser Ecosystem, and field based investigations/verification of supply chain connection/ direct engagement of mill and supply sheds actors at various scales
<u>Delivered</u> - 100% traceability to plantation/farm level achieved in global palm oil supply chain	<u>Delivered</u> - Mapped all palm oil suppliers in Leuser Ecosystem
Identifies and cuts or reforms bad actors	Monitoring forests & peatlands in the Leuser Ecosystem
<u>No Action</u> - No non-compliance protocol, no NDPE due diligence systems to identify and respond to non-compliance, no 'no-buy' list nor corrective action plans for non-compliant suppliers	<u>No Action</u> - Monitoring system is not in place to identify deforestation and peatland development in the Leuser Ecosystem
<u>Minimal Action</u> - No public non-compliance protocol, inadequate NDPE due diligence systems to identify and respond to non-compliant suppliers, minimal or reactive 'no-buy' positions and no public corrective action plans for non-compliant suppliers which remain in the supply chain	<u>Minimal Action</u> - Public commitment to establish a deforestation and peatland monitoring system for the Leuser Ecosystem
<u>Progressing</u> - Public non-compliance protocol, established but not comprehensive NDPE due diligence systems to identify and respond to non-compliant suppliers, public but not comprehensive 'no-buy' list and/or inadequate corrective action plans for non-compliant suppliers which remain in the supply chain	<u>Progressing</u> - Commencement of monitoring system imminent and/or Landscape based monitoring approach being used but it does not have comprehensive coverage of the Leuser Ecosystem
<u>Delivered</u> - Public non-compliance protocol, comprehensive NDPE due diligences systems to identify and respond to non-compliant suppliers, a comprehensive, public 'no-buy' list and adequate corrective action plans for non-compliant suppliers which remain in the supply chain	<u>Delivered</u> - Consistent deforestation and peatland monitoring system is in place, and is being used, to identify deforestation peatland development in the Leuser Ecosystem
Transparent and credible grievance process and resolution	Sets minimum requirements for suppliers in Leuser Ecosystem
<u>No Action</u> - No public grievance mechanism established for those impacted by the company's palm oil sourcing, minimal or no reporting on grievances	<u>No Action</u> - No requirements for suppliers operating within, or around the Leuser Ecosystem
<u>Minimal Action</u> - Lacks either a public grievance mechanism or comprehensive reporting on grievances, or has a public commitment to establish	<u>Minimal Action</u> - Policy articulates minimum requirements, no demonstration of how requirements have been cascaded in supply chains to

a public grievance mechanism and grievance log but it's not yet in place	producer/farm level in the Leuser Ecosystem
<u>Progressing</u> - Has a public grievance mechanism and a commitment to the UN Guiding Principles on Business and Human Rights, maintains comprehensive public listing, is not yet demonstrating remedy is being delivering across supply chains	<u>Progressing</u> - Policy articulates minimum requirements, can demonstrate how requirements have been cascaded in supply chains to mill and/or producer/farm level in the Leuser Ecosystem
<u>Delivered</u> - Has a public grievance mechanism, which is aligned with the UN Guiding Principles on Business and Human Rights that can demonstrate remedy for harm is delivered in accordance with the UNGP and comprehensively reports on grievances	<u>Delivered</u> - All plantations//producer companies/farmers have NDPE policies or signed agreements to meet policies and requirements to protect and restore the Leuser Ecosystem
Goal for 100% independently verified NDPE supply chain by a set date	Identifies and cuts or reforms bad actors destroying the Leuser Ecosystem
<u>No Action</u> - No goal to achieve 100% NDPE by a specific date, no published time-bound plan	<u>No Action</u> - No 'no-buy list' naming non-compliant suppliers operating in Leuser Ecosystem, no published grievance lists or public statements on its response to non-compliant refineries, mills or producers causing deforestation and peatland development in the Leuser Ecosystem
<u>Minimal Action</u> - A goal to achieve 100% NDPE by a specific date, but lacking a clear time-bound plan to achieve NDPE compliance using credible forms of independent verification	<u>Minimal Action</u> - Responding to non-compliance as raised, little proactive due diligence/ risk assessment and monitoring of suppliers' performance, minimum or reactive 'no-buy' positions, inadequate public reporting on cases of non-compliant refineries, mills or producers causing deforestation and peatland development in the Leuser Ecosystem
<u>Progressing</u> - A goal and time-bound plan to achieve 100% independently verified NDPE supply chains using credible forms of independent verification, with regular progress reports	<u>Progressing</u> - Proactive due diligence/ risk assessment and monitoring of suppliers' performance, published grievance list and transparent response to cases of non-compliant refineries, mills or producers causing deforestation and peatland development in the Leuser Ecosystem with clear engagement and corrective action plans, suspension or termination of non-compliant suppliers
<u>Delivered</u> - Achieved 100% independently verified NDPE supply chains	<u>Delivered</u> - No sourcing from non-compliant producers, mills and refineries associated with deforestation and peatland development in the Leuser Ecosystem, can demonstrate deep engagement with producers clearing forests that resulted in adherence to moratorium or an end of peatland development