

# **KEEP FORESTS STANDING**

**Evaluating the Brands and Banks  
Driving Deforestation and Human Rights Abuses**





# INTRODUCTION

From the cool air we breathe to the clean water we drink, forests are foundational to life on earth. In particular, Indonesia's forests — the third largest rainforest on Earth — are uniquely important for their ability to lessen the global climate and biodiversity crises and for sustaining the millions of people who live in or near them.<sup>1</sup> Indigenous Peoples and local communities have been successfully managing these forests for generations. As some of the best defenders against deforestation,<sup>2</sup> they are protecting their lands, forests and waterways not just for themselves but for all of us.

However, Indonesia's rainforests and those all around the world are being burned, clear-cut, and bulldozed every day for commodities like palm oil, pulp, paper, beef, soy, cocoa, and timber products.<sup>3</sup> Multinational brands provide the market demand for these products and the funding for this destruction flows from major banks around the world. Brands and banks must be held to account for the impacts caused by their business partners as well — their suppliers and clients that produce these products and ship them to markets around the world.

The expansion of this industrial agriculture is not only one of the most significant drivers of deforestation, it is also significantly responsible for the violence Indigenous People and local communities face. Agribusiness as a sector is responsible for most of the killings of environmental defenders, second only to mining.<sup>4</sup> In Indonesia and around the world, Indigenous Peoples are fighting to retain control of their lands from companies looking to encroach with industrial-scale logging and agribusiness.

Rainforest destruction is deadly for people and the planet, worsening the climate crisis and putting countless species on the brink of extinction. Research indicates numerous examples of the links between habitat destruction and human exposure to vector-borne and zoonotic disease — infectious diseases that pass from animals to humans.<sup>5</sup> Stopping global deforestation could literally mean preventing future pandemics.

**For our future, we have to Keep Forests Standing and Uphold Indigenous Peoples' Rights, and we have the power to stop the destruction.**

A farmer in Lubuk Mandarsah, Jambi Province, Indonesia works on his traditionally-owned farm land. This land is claimed by Asia Pulp and Paper/ Sinar Mas Group, which has actively destroyed community-owned crops.  
PHOTO: Agusriady Saputra / RAN

# Evaluation Background

The Keep Forests Standing campaign calls on some of the most influential corporations fueling the destruction of rainforests and the violation of human rights to take real action. The brands are the multinational, fast-moving consumer goods companies of **Colgate-Palmolive, Ferrero, Kao, Mars, Mondeléz, Nestlé, Nissin Foods, PepsiCo, Procter & Gamble, and Unilever**. The banks are the financial powerhouses of **ABN Amro, Bank Negara Indonesia (BNI), CIMB, DBS, Industrial and Commercial Bank of China (ICBC), JPMorgan Chase, and Mitsubishi UFJ Financial Group (MUFG)**.

Many of these brands and banks have made various past commitments and adopted corporate policies to achieve no deforestation and uphold Indigenous and human rights in their business practices. Despite these promises, forests continue to fall, hundreds of communities suffer the impacts of having their traditional forests and lands seized and cleared, and workers continue to face abuse. The Keep Forests Standing campaign demands more than paper promises. Here we evaluate and rank these brands and banks to see which are the biggest Forest Offenders.













Jimmy Simanjuntak, of Nagasaribu, North Sumatra, standing in front of his communities' traditionally-owned land, which was cleared by Toba Pulp Lestari/ Royal Golden Eagle. The sign reads "This land is owned by the Nagasaribu Village. Do not plant with eucalyptus."  
PHOTO: Agusriady Saputra / RAN


## Evaluation of Banks and Brands





In evaluating the brands and banks, we asked five general questions:

- » Have they made the first step in adopting a policy to cut deforestation and human rights abuses from their supply chains and financing?
- » Have they publicly disclosed the full impact of their business on forests and the rights of local and Indigenous communities?
- » Are they preventing violence and ensuring that the rights of local and Indigenous communities are being fully respected?
- » Are they actually changing their purchasing or financing practices if their business partner is caught breaching their policy to protect forests and uphold human rights?
- » Can they prove to their customers that their business partners are complying with their policy?

	* NDPE Policy	* NDPE Policy Scope	* Mandate for NDPE Policy Adoption	* NDPE Implementation Plans	** Forest Footprint Disclosure	*** Proof of Free, Prior and Informed Consent	*** Robust monitoring and due diligence systems	*** Zero tolerance for violence and intimidation	**** Holding bad actors to account	***** Independent verification of NDPE compliance	<b>FINAL SCORE</b>
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	Y	P	N	N	N	N	P	N	N	N	F
	Y	N	N	N	N	N	P	N	N	P	F
	Y	P	N	N	N	N	N	N	N	N	F
	Y	P	N	P	N	N	P	N	N	N	D
	Y	N	P	N	N	N	P	N	N	N	F
	Y	P	N	P	P	N	P	N	N	N	D
	Y*	N	N	N	N	N	N	N	N	N	F
	Y	P	P	N	N	P	P	N	N	P	D
	Y	N	N	N	N	N	P	N	N	N	F
	Y	Y	Y	P	N	P	P	P	P	P	C

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	Y	Y	P	N	N	N	P	N	P	N	D
	N	N	N	N	N	N	N	N	N	N	F
	N	N	N	N	N	N	P	N	P	N	F
	Y	P	N	P	N	N	P	N	P	N	D
	N	N	N	N	N	N	P	N	N	N	F
	N	N	N	N	N	N	N	N	N	N	F
	Y	N	P	N	N	N	P	N	N	N	F

* Have they made the first step in adopting a policy to cut deforestation and human rights abuses from their supply chains and financing	<b>SCORE RANGE:</b>	Y = 2	A = 18-20	D = 5-11
** Have they publicly disclosed the full impact of their business on forests and the rights of local and Indigenous communities?	P = 1	B = 15-17	F = 0-4	
*** Are they preventing violence and ensuring that the rights of local and Indigenous communities are being fully respected?	N = 0	C = 12-14		
**** Are they actually changing their purchasing or financing practices if their business partner is caught breaching their policy to protect forests and uphold human rights?				
***** Can they prove to their customers that their business partners are complying with their policy?				





# KEY TAKEAWAYS

The following represent the **worst performing** among the **17 companies** evaluated:



Banks with “F” grade:



JPMORGAN CHASE & CO.



Brands with “F” grade:



The evaluation found that while none of the 17 major brands and banks have taken adequate action to address their contribution to the destruction of forests, ongoing land grabs, and violence against local and Indigenous communities, a number of the brands and banks performed worse than their peers. **BNI, CIMB, ICBC, JPMorgan Chase, MUFG, Colgate-Palmolive, Ferrero, Kao, Mondelēz, Nissin Foods, and Procter & Gamble** are the worst Forest Offenders.

Of the banks scored, only Dutch bank **ABN Amro** and Singapore’s **DBS** have policies that require a broad spectrum of clients to commit to the leading production requirements of No Deforestation, No Peatlands and No Exploitation (NDPE), however both are still lacking systems to ensure that these policies are actually met. Malaysia’s **CIMB** carries out some client due diligence but only encourages clients to adopt NDPE policies, instead of making it a requirement. Indonesia’s **BNI** and China’s **ICBC** disclose some sustainability issues but do not reference NDPE production requirements. Japan’s **MUFG** recently adopted a NDPE policy for palm oil, but does not apply the same standards to other sectors such as pulp and paper. US-based **JPMorgan Chase** also recently announced its intention to require palm oil clients to align with NDPE requirements, however this will not apply until September 2021.

While all of the brands have published NDPE policies, they are all continuing to fail to deliver on these commitments. None of the scored brands have established how and when they will undertake independent verification of supplier performance — which is critical in proving NDPE policies are met. Making commitments is not enough, companies must have time-bound plans to implement on their commitments. All brands, with the exception of Japanese brands **Kao** and **Nissin Foods**, have established forest monitoring systems. The response of brands to cases of deforestation is currently ad hoc, lacks transparency, and does not follow acceptable non-compliance procedures.

Of particular concern is that none of the brands or banks assessed have adequate due diligence procedures relating to human rights. None are independently verifying that their suppliers or clients are even in compliance with relevant laws, regulations, or best practices on Free, Prior and Informed Consent (FPIC) processes. This means that brands and banks are unable to identify, avoid or remedy the human rights violations that they may be connected to.

Boy from the Aek Lung community in North Sumatra, Indonesia, looks on as land is cleared for a pulp and paper plantation owned by Toba Pulp Lestari/ Royal Golden Eagle.  
PHOTO: Agusriady Saputra / RAN





# OUR DEMANDS

Farmers in Lubuk Mandarsah, Jambi Province, Indonesia have been fighting to regain access to their traditionally owned lands, which have been clear by Asia Pulp and Paper/ Sinar Mas Group.  
PHOTO: Agusriady Saputra / RAN

## **Adopt No Deforestation, No Peatland and No Exploitation (NDPE) policies**

- » Create a plan to achieve and prove implementation
- » Mandatory policy adoption for all business partnerships

## **Release Forest Footprint**

- » Publicly disclose their total impact on forests, peatlands and the rights of Indigenous Peoples and local communities

## **Prevent violence and uphold human rights**

- » Establish human rights monitoring and due diligence systems and field-based methods to verify that the rights to Free, Prior and Informed Consent are being respected
- » Enact zero tolerance procedures to prevent violence, criminalization, intimidation, and killing of land rights defenders

## **Hold Bad Actors to Account**

- » Create process to end relationships with business partners complicit in deforestation and human rights abuses

## **Prove compliance by business partners**

- » Publish independent verification of NDPE compliance
- » Do not rely on ineffective certification systems





# CONCLUSION

PHOTO: Paul Hilton / RAN

Corporations and their long-reaching supply chains, together with the banks providing the capital, are driving deforestation, ignoring land rights and other human rights violations and further destabilizing our climate to turn the quickest profit. The current zoonotic pandemic has exacerbated global racial and economic inequity and only escalated risks to Indigenous and local communities.

**Brands and banks must take real action to prevent further human rights violations and deforestation. We call on them to Keep Forest Standing and Uphold Indigenous Peoples Rights now.**

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## ENDNOTES

- 1 Forest Peoples Programme. "[Forest Peoples: Numbers Across the World](#)" Forest Peoples Programme. 2012.
- 2 WRI. "[The IPCC Calls for Securing Community Land Rights to Fight Climate Change](#)" August 2019.
- 3 "[Commodities](#)" Global Forest Watch. 2020.
- 4 Manongdo, Ping. "[Why attacks on environment defenders should scare big business](#)". Eco-Business. 2019.
- 5 Frontiers in Veterinary Science, 24 March 2021, "[Outbreaks in vector-borne and zoonotic disease are associated with changes in forest cover and oil palm expansion at global scale](#)"; Emerging Infectious Diseases, November 2005, "[Bushmeat Hunting, Deforestation and Predication of Zoonotic Disease](#)"; Intergovernmental Council on Pandemic Prevention, November 2020, "[Escaping the 'Era of Pandemics'](#)"
- 6 Nissin Foods "[Group Policy on Sustainable procurement](#)" states it is "supporting the NDPE requirements' but lacks explicit NDPE requirements for suppliers to comply with. Further strengthening of its NDPE policy in accordance with recommendations provided by RAN is required.





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PHOTO: Nanang Sujana / RAN  
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