Fries, Face wash, Forests: Scoring America's Top Brands on their Palm Oil Commitments

Supplemental Material 1: Methodology

Company Selections

We evaluated 40 companies in this year's Scorecard, comprised of 10 companies from each of the following four sectors: packaged food, personal care, fast food, and store brands. For the packaged food, personal care, and fast food sectors we evaluated the same 30 companies that were evaluated in the 2014 Scorecard. Companies in the packaged food and personal care sectors were initially chosen using the Forbes Global 2000 list for 2013. We identified the top 13 companies in each sector and then narrowed those lists down to the top 10 we knew used palm oil[i]. For companies in the fast food sector we used [QSR Magazine's Global 30 list](#) for 2012. We combined KFC and Pizza Hut together (as they are both owned by Yum! Brands) and chose the top 10 companies we knew to be using palm oil.

For the new store brands sector that we added this year, we identified the top 11 US-based companies from the food, drug and discount retail store industries using the [2014 Forbes Global 2000 list.](#) We eliminated Sysco from the list because it is a direct food service provider and not a consumer goods store. We confirmed palm oil is an ingredient in store brand items in the final top 10 companies.

Document Selection and Scoring

Scoring was based on commitments from official company sources, which were publically available as of January 16, 2015. These included pages on each company's website, press releases, annual sustainability and other corporate reports, company policy documents, and companies' most recent Annual Communication of Progress (ACOP) to the Roundtable on Sustainable Palm Oil (RSPO.)

One or more representatives from each company were contacted to let them know they would be appearing in our scorecard. Although we did our own independent research to uncover all relevant materials from a company's website and reporting to the RSPO, this was done to allow companies the opportunity to weigh in in the unlikely event that an important document was overlooked.

All 40 companies were scored independently by both authors. The authors then compared their scores and reviewed places where they differed until consensus was reached. The detailed scoring rubrics for each company were then reviewed by additional members of the UCS staff and external reviewers. Their feedback was considered and scores were further refined. Where uncertainties still remained UCS staff contacted company representatives for further clarification.

Scoring Criteria

All 40 companies were scored using the same criteria. The criteria are identical in practice as the 2014 edition of the scorecard, which was developed by the report authors in consultation with other members of UCS staff, as well as other NGOs working on palm oil. There are a few wording changes in the scoring rubric in the 2015 edition in order to provide additional clarity, but these do not in any way change the criteria themselves.

Below is a detailed description of the criteria and the guidance used to make scoring determinations:

Criteria	Scoring Guidance	Possible Points
Deforestation-Free		**20**
Commitment to source palm oil that does not contribute to deforestation	Full 20 points: A company needs to commit to protecting all forests and include language referring to secondary, disturbed, or high carbon stock forests.	
	10 points: A company has a vague commitment to forest protection OR commits to protection of HCV or primary forests OR commits to physically sourcing 100% CSPO or sustainable palm oil.ᵢᵢ	
Peat-Free		**20**
Commitment to source palm oil that does not contribute to peatland destruction	Full 20 points: A company needs to commit to purchase palm oil that does not come from new conversion of peatlands and if sourcing from existing plantations on peat, ensure that those plantations use best management practices (BMPs) that are at least as strong as those of the RSPO. The BMPs requirement can be fulfilled by committing to physically source 100% CSPO or sustainable palm oil.	
	15 points: A company has a vague commitment to peatland protection OR it only commits to not sourcing from new conversion.	
	5 points: A company commits to physically source 100% CSPO or sustainable palm oil.	
Traceability		**20**
Commitment to tracing palm oil	Full 15 points: A company must commit to trace its palm oil to the plantation level or that the supply chain is traced to the plantation level in conjunction with a supplier whose tracing can be verified.	*15*
	10 points: A company has a vague commitment to traceability.	
Commitment to ask suppliers about the GHG footprint of their production	Full 5 points: A company answers "yes" to question 2.5 or 5.2 if it is a packaged food or personal care company or a company answers "yes" to question 2.6 if it is a fast food or retail company on the 2013-2014 RSPO ACOP OR this information is included in other policies.	*5*

Criteria	Scoring Guidance	Possible Points
Transparency		**20**
Annual reporting of progress	Full 10 points: A company must be reporting its progress; including disclosure of the percentage (or volume) of palm oil that meets deforestation-free, peat-free criteria, is CSPO, or is sustainable. This can be satisfied by joining the RSPO and reporting through the ACOP.	10
	5 points: A company has made a vague commitment to reporting.	
Time-bound goals to physically source palm oil	Full 5 points: A company has a time-bound plan with intermediate goals to physically source deforestation-free, peat-free palm oil OR a company does not have intermediate goals, but commits to physically source deforestation-free, peat-free palm oil by 2015.	5
	3 points: A company has a time-bound plan WITHOUT intermediate goals to physically source deforestation-free, peat-free palm oil by a date after 2015 OR has a time-bound plan WITH intermediate goals to physically source 100% CSPO or sustainable palm oil OR has a time-bound plan WITHOUT intermediate goals if commits to physically source 100% CSPO or sustainable palm oil by 2015.	
	1 point: A company has a time-bound plan WITHOUT intermediate goals to physically source 100% CSPO or sustainable palm oil by a date after 2015.	
Layout a process of verification	Full 5 points: A company outlines how it will work with suppliers to ensure it and its suppliers are meeting all principles in its palm oil commitment.	5

Current sourcing scores were determined by an averaged percentage of palm fruit oil, palm kernel oil, and palm oil derivatives a company is currently buying which is either:

A. deforestation- and peat-free;
B. CSPO or sustainable palm oil.

Different forms of palm oil were given different weight:

- Deforestation- and peat-free palm oil was given full weight.
- Physically sourced CSPO or sustainable palm fruit oil, CSPO or sustainable palm kernel oil (physical or GreenPalm), and CSPO or sustainable palm derivatives (physical or GreenPalm) were weighted at 0.5.
- CSPO palm fruit oil sourced through GreenPalm (PFO_{GP}) was given a weighting of 0.25.

The following equation was used to determine each companies score for this criterion:

$$\text{Early Action Score} = 20 * \text{Average} \left(\frac{\begin{array}{c} \dfrac{PFO_{DPF} + .5 * PFO_{CSPO} + .25 PFO_{GP}}{total\ PFO} \\[2ex] \dfrac{PKO_{DPF} + .5 * PKO_{CSPO} + .5 PKO_{GP}}{total\ PKO} \\[2ex] \dfrac{POD_{DPF} + .5 * POD_{CSPO} + .5 POD_{GP}}{total\ POD} \end{array}}{} \right)$$

Legend			
Symbol		Definition	Weighting
PFO		Palm fruit oil	
	PFO_{DPF}	Deforestation- and peat-free PFO	Full
	PFO_{CSPO}	Physically sourced CSPO or sustainable PFO	Half
	PFO_{GP}	PFO sourced through GreenPalm	Quarter
PKO		Palm kernel oil	
	PKO_{DPF}	Deforestation- and peat-free PKO	Full
	PKO_{CSPO}	Physically sourced CSPO or sustainable PKO	Half
	PKO_{GP}	PKO sourced through GreenPalm	Half
POD		Palm oil derivatives	
	POD_{DPF}	Deforestation- and peat-free POD	Full
	POD_{CSPO}	Physically sourced CSPO or sustainable POD	Half
	POD_{GP}	POD sourced through GreenPalm	Half

Notes:

A commitment that covers all palm oil (including palm fruit oil, palm kernel oil, and palm oil derivatives) in a company's operations is required to earn points in the Deforestation-Free and Peat-Free sections. However, a company's palm oil commitment does not need to cover all palm oil in its operations for it to earn points in the Traceability and Process of Verification sections. For example, if a company has only committed to use deforestation-free and peat-free palm fruit oil, if they maintain a verification scheme to ensure this commitment is met, they would receive full points. In this way, companies are rewarded for taking steps towards 100 percent deforestation-free and peat-free palm oil.

The level of verification needed in the context of palm oil commitments does not have an agreed upon standard. UCS maintains that at the current time, companies must show that there has been some consideration of how to follow through and ensure that a policy and all of the principles it outlines are enforced. Different methods for such verification include involvement of a third party, conversations with suppliers specific to ensuring implementation, or audits, among others.

In addition, UCS did not score companies based on the date a company expects to achieve full implementation of their commitment in the Transparency section, but simply that a timeline exists. This was partly done to accommodate the differences between sectors. Some sectors, such as those mostly using palm fruit oil, should have more short-term timelines. However, some companies source more complicated derivatives, which are currently more difficult to obtain deforestation-free and peat-free. Thus, the same short-term timeline should not apply to all companies. However, because forests and peatlands are currently at high risk from the expansion of oil palm plantations, near-term timelines are much more effective in protecting these critical landscapes. UCS firmly believes that companies should begin to implement commitments as soon as possible.

Categorization:

Companies overall score total qualify them for one of four different categories:

Strong Commitment: $66 \leq X$
Some Commitment: $36 \leq X < 66$
Little Commitment: $0 < X \leq 36$
No Commitment: $X = 0$

These categorizations were determined based on the results of 2014 scorecard. They are generally categorized into thirds, with some deviation from these based on natural groupings.

The Results

Below are the 2015 Scorecard results, broken down into their subscores. For additional information on the justification for individual companies, please see Supplemental Material 2: Detailed Scoring Breakdown.

Packaged Food

Company	Example Brands	Total Score (100)	Deforestation-Free (20)	Peat-free (20)	Traceability (20)	Transparency (20)	Current Sourcing (20)
Nestle		90.5	20	20	20	20	10.5
Danone		89.2	20	20	20	20	9.2
Kellogg Co.		88.5	20	20	20	20	8.5
ConAgra		84.1	20	20	20	20	4.1
Unilever		83.4	20	20	20	20	8.4
PepsiCo		80.7	20	20	20	20	.7
General Mills		77.8	20	20	15	20	2.8
HJ Heinz		42.9	10	5	0	18	9.9
Mondelez		36.8	0	0	20	15	1.8
Kraft		10	0	0	0	10	0

Personal Care

Company	Example Brands	Total Score (100)	Deforestation-Free (20)	Peat-free (20)	Traceability (20)	Transparency (20)	Current Sourcing (20)
Colgate-Palmolive		88	20	20	20	20	8
Henkel		86.3	20	20	20	20	6.3
L'Oreal		80	20	20	10	20	10
P&G		84.2	20	20	20	20	4.2
RB		72.3	20	15	20	15	2.3
Kao		54.8	10	5	15	18	6.8
Beiersdorf		51.3	10	5	15	13	8.3
Estee Lauder		28.3	0	0	10	15	3.3
Avon		20	0	0	0	10	10
Clorox		0	0	0	0	0	0

Fast Food

Company	Example Brands	Total Score (100)	Deforestation-Free (20)	Peat-free (20)	Traceability (20)	Transparency (20)	Current Sourcing (20)
Dunkin' Brands		70	20	20	20	10	0
Subway		38	20	15	0	3	0
McDonald's		24.4	0	0	10	10	4.4
Burger King		10	0	0	0	10	0
Starbucks		10	0	0	0	10	0
Dairy Queen		0	0	0	0	0	0
Domino's		0	0	0	0	0	0
CKE Restaurants		0	0	0	0	0	0
Wendy's		0	0	0	0	0	0
Yum! Brands		0	0	0	0	0	0

Store Brands

Company	Example Brands	Total Score (100)	Deforestation-Free (20)	Peat-free (20)	Traceability (20)	Transparency (20)	Current Sourcing (20)
Safeway		72.1	20	20	15	15	2.1
Whole Foods		30	10	20	0	0	0
Walmart		28.8	10	5	0	13	.8
Kroger		23	10	5	0	8	0
CVS		0	0	0	0	0	0
Walgreen Co.		0	0	0	0	0	0
Target		0	0	0	0	0	0
Costco		0	0	0	0	0	0
Dollar General		0	0	0	0	0	0
Dollar Tree		0	0	0	0	0	0

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[i] We use the term "palm oil" to refer to the oil from palm fruit, the palm kernel, and palm derivatives collectively

[ii] Throughout this document, "CSPO" is used to refer to palm oil that is certified by the RSPO, while "sustainable palm oil" refers to any palm oil that demonstrably meets forests and peatland protections that are at least as strong as those of the RSPO.