

Donuts, Deodorant, Deforestation: Scoring America's Top Brands on their Palm Oil Commitments

Supplemental Material 1: Methodology

Company Selections

Companies in the packaged food and personal care sectors were 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 know used palm oil.

For companies in fast food sector we used [QSR Magazine's Global 30 list](#) (2012). We combined KFC and Pizza Hut together (as they are both owned by Yum! Brands) and choose the top 10 companies we knew to be using palm oil.

Document Selection and Scoring

Scoring was based on commitments from official company sources which were publically available as of January 16th, 2014. This included pages on each company's website, press releases, annual sustainability and other corporate reports, and companies' most recent Annual Communication of Progress (ACOP) to the RSPO.

All 30 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 (Supplemental Material 2: Detailed Scoring) were then reviewed by additional members of the UCS staff and scores were further refined. Where uncertainties still remained UCS staff contacted company representatives for further clarification.

Scoring Criteria

All 30 companies were scored using the same 5 criteria. The criteria were developed by the report authors in consultation with other members of UCS staff, as well as other NGOs working on palm oil. Below is a detailed description of the criteria and the guidance used to make scoring determinations:

Criteria	Scoring Guidance	Possible Points
Deforestation-Free		20
<i>Commitment to source palm oil that does not contribute to deforestation</i>	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 ⁱ .	
Peat-Free		20
<i>Commitment to source palm oil that does not contribute to peatland destruction</i>	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 that are at least as strong as those of the RSPO.	
	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
<i>Commitment to tracing palm oil</i>	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.	
<i>Commitment to ask suppliers about the GHG footprint of their production</i>	Full 5 points: A company answers “yes” to question 8 on the 2012-2013 RSPO ACOP OR this information is included in other policies.	5

Criteria	Scoring Guidance	Possible Points
Transparency		20
<i>Annual reporting of progress</i>	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.	
<i>Time-bound goals to physically source palm oil</i>	Full 5 points: A company must have a time-bound plan, with intermediate goals, to physically source deforestation-free, peat-free palm oil.	5
	3 points: A company has a time-bound plan WITHOUT intermediate goals to physically source deforestation-free, peat-free palm oil OR a time-bound plan WITH intermediate goals to physically source 100% CSPO or sustainable palm oil.	
	1 point: A company has a time-bound plan, with no intermediate goals, to physically source 100% CSPO or sustainable palm oil.	
<i>Layout a process of verification</i>	Full 5 points: A company lays out the process by which it will verify that it and its suppliers are meeting their deforestation-free, peat-free commitments.	5

Early action scores were determined by an averaged percentage of crude palm 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 crude palm 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 crude palm oil sourced through GreenPalm (CPO_{GP}) was given a weighting of 0.25.

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

$$\text{Early Action Score} = 20 * \text{Average} \left(\begin{array}{l} \frac{CPO_{DPF} + .5 * CPO_{CSPO} + .25CPO_{GP}}{\text{total CPO}} \\ \frac{PKO_{DPF} + .5 * PKO_{CSPO} + .5PKO_{GP}}{\text{total PKO}} \\ \frac{POD_{DPF} + .5 * POD_{CSPO} + .5POD_{GP}}{\text{total POD}} \end{array} \right)$$

Legend			
Symbol		Definition	Weighting
CPO		Crude palm oil	
	CPO _{DPF}	Deforestation- and peat-free CPO	Full
	CPO _{CSPO}	Physically sourced CSPO or sustainable CPO	Half
	CPO _{GP}	CPO 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

ⁱ 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 forest and peatland protections that are at least as strong as those of the RSPO.