

Procter & Gamble, Mondelez, And Nestlé Are Among 10 Of The Leading Consumer Brands Driving Global Deforestation



05-19-2024 ~ *Despite corporate commitments, deforestation rates remain high, and community land conflicts continue.*

Since the turn of the century, there has been a consistent average annual loss of [3 to 4 million hectares](#) (7.4 to 9.9 million acres) of tropical forest globally. This puts us far from reaching the goal of [zero deforestation by 2030](#), a target embraced in 2021 by 145 countries during the COP26 climate summit in Glasgow. Besides damaging the local environment, deforestation threatens our societies and economies by elevating carbon emissions and exacerbating the climate crisis. Land use change—mainly deforestation—contributes as much as a [fifth of global greenhouse gas emissions](#). So, solving the climate crisis means ending rampant deforestation. And while national commitments are essential, the climate solution can only come from a collaboration between all stakeholders, and that includes, importantly, the private sector.

“Though countries need to take the lead, solving the climate crisis is not up to them alone. Non-state actors—industry, financial institutions, cities, and regions—play a critical role in getting the world to net zero no later than 2050. They will either help scale the ambition and action we need to ensure a sustainable planet, or else they strongly increase the likelihood of failure. The planet cannot afford delays, excuses, or more greenwashing,” said Catherine McKenna, chair of the UN Secretary-General’s High-level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, in a 2022 [report](#) that explored, in part, the role of business in achieving net zero emissions.

However, big multinational brands pose a major problem. Despite commitments to improve their supply chains, deforestation—as well as [violence against those people defending land rights](#)—remains increasingly high worldwide.

Deforestation rose 3.2 percent worldwide in 2023, according to a [report](#) published in April 2024 by Global Forest Watch, a forest monitoring project of the World Resources Institute, a Washington-based nonprofit research organization.

In 2020, [227 lethal attacks](#) on land and environmental defenders were recorded by Global Witness, an international NGO that investigates the links between natural resource exploitation and human rights abuses.

Major Consumer Brands Are Failing

“[Keep Forests Standing](#),” a 2023 report by my organization, [Rainforest Action Network](#) (RAN), a nonprofit environmental group, revealed that many companies are still profiting from destructive practices, failing to bridge the gap between their public promises and their harmful actions.

Our report identified ten multinational corporations as significant contributors to deforestation and human rights abuses through their supply chains: Colgate-Palmolive, Ferrero, Kao, Mars, Mondeléz, Nestlé, Nissin Foods, PepsiCo, Procter & Gamble, and Unilever. While some progress has been made, particularly with policies like [No Deforestation, No Peatlands, No Exploitation](#) (NDPE), implementation remains incomplete, especially in regions like Indonesia and Malaysia.

Producing a ‘scorecard’ for each brand, we urged them to take concrete actions to protect forests and communities. The scorecard uses rigorous criteria to assess policies and transparency in reporting. Unfortunately, in 2023, none of the evaluated brands achieved an ‘A’ grade, with Procter & Gamble, Mondeléz, Ferrero, and Nissin Foods performing the worst.

These brands wield considerable economic power, influencing global markets for ‘forest-risk commodities,’ particularly agricultural products such as palm oil, soy, cocoa, coffee, wood, pulp and paper, and beef.

Effective government regulations certainly help reduce the effects of climate change. However, global brands must move beyond empty promises and take decisive steps to address their role in driving deforestation and human rights

violations. We need a genuine commitment and meaningful action from business leaders to protect forests and communities for future generations. Consumers and all of civil society play a crucial role in holding these brands accountable and demanding action to halt deforestation and rights abuses.

Trends and Developments

In the early 2020s, alarming environmental data highlighted the escalating crises facing our planet: 2022 saw [forest loss](#) equivalent to the size of Switzerland, and in 2023, record-breaking temperatures occurred, with [over a million species teetering on the edge of extinction](#). Amidst these enormous challenges, some hope has emerged from regulatory developments and corporate claims—albeit with reservations.

The [European Union Deforestation Regulation](#) (EUDR) represents a potentially pivotal shift in accountability for forest-risk commodities. Mandating traceability to land plots and imposing fines for deforestation carried out after 2020, the regulation demands robust due diligence from importing companies. Even so, major brands lag in compliance, exposing investors to significant risks. There remains substantial room for improvement when it comes to achieving true transparency and genuine corporate support for the EUDR.

Meanwhile, brands such as Mars, Nestlé, and Ferrero asserted they had achieved or were approaching 100 percent deforestation-free supply chains. Presenting limited evidence and overlooking loopholes, these assertions carry little weight. Their claims lacked independent verification, often relying on consultants with vested interests. Unilever stood out as the only brand demanding independent verification from its suppliers, though it falls short in its non-compliance protocols. Other brands relied on self-reported data or flawed certification systems, raising doubts about the credibility of their claims. This is classic greenwashing.

False assurances, if accepted at face value and with a lack of public transparency, allow brands to sidestep accountability and avoid finding systemic solutions. Genuine progress requires expanded reporting, particularly with third-party verification, to ensure adherence to ecological and human rights standards. As the world grapples with environmental crises, private-sector brands must demonstrate a tangible commitment to halting deforestation and respecting human rights. Otherwise, their claims ring hollow.

Corporations have been slow to accept responsibility for upholding human rights and land rights. Unilever's [comprehensive policy](#) to protect Human Rights Defenders sets a precedent by acknowledging the need for corporations to combat violence against those defending land rights. Other major brands lack clear commitments in this regard.

While investments in landscape initiatives are increasing, particularly in palm oil production, only a fraction prioritize securing land-tenure rights for Indigenous Peoples and local communities. In the Indonesian district of [Aceh Tamiang](#), growers, buyers, and end consumers of palm oil have united behind the local government to help make the entire jurisdiction a sustainable source of commodities, thereby protecting the [Leuser Ecosystem](#), an ancient Indonesian forest ecosystem known as the "[world's orangutan capital](#)." Initiatives like this show promising results in reducing deforestation but underscore the need for broader enforcement of policies throughout supply chains.

Despite many companies adopting No Deforestation, No Peatlands, No Exploitation (NDPE) policies, challenges persist in translating these commitments into tangible outcomes. Deforestation rates remain high, and community land conflicts continue, especially in areas of logging and agribusiness expansion.

Critical reforms are necessary to truly bridge the gap between corporate policies and real-world impact. NDPE policies must become mandatory across all supply-chain tiers, covering all forest-risk commodities, and enforced at the corporate group level. Setting ambitious targets and independent verification of compliance are essential steps toward credible corporate responsibility.

Consumer awareness is growing, and consumers increasingly care about how brands behave. A [2020 survey](#) by McKinsey & Co. found that "[a]lmost two-thirds of consumers are self-proclaimed 'belief-driven buyers' who will choose, switch, avoid or boycott a brand based on its stand on societal issues." The survey also found that three in four millennials consider sustainability when buying goods.

With a growing global awareness of environmental and human rights issues, consumers, investors, and activists have the power to hold brands accountable and drive meaningful change toward sustainable and equitable supply chains.

Essential Elements of a Robust Forest-Risk Commodity Policy

In the early 21st century, a collective effort by communities, consumers, and

international NGOs revealed how major global brands were driving deforestation and human rights abuses. Pressure from these groups has led many companies to adopt the NDPE policy standard. However, claims of reduced deforestation rates, particularly in places like Indonesia, are disputed, and as late as 2024, not all forest-risk sectors had implemented NDPE policies.

To ensure credible change, NDPE policies must address all elements of forest protection, prohibiting deforestation, forest degradation, and human rights violations. Deadlines for halting these activities must be clearly defined and observed. Furthermore, adopting cross-commodity NDPE policies is crucial, as threats to forests and communities often stem from commodities used in manufacturing products.

For instance, a chocolate bar has several ingredients, such as palm oil, cocoa, and sugar, each with its own environmental impact. A brand may have policies addressing palm oil but lack them for cocoa. Forest-risk commodities are all linked to deforestation and ecosystem degradation, and as such, they all require attention.

Multinationals can transform forest-risk commodity supply chains by setting comprehensive and cross-commodity NDPE policies. Only then can they take concrete steps toward mitigating environmental harm and respecting human rights. This collective effort is crucial for preserving forests and the communities that depend on them for generations to come.

The fight against deforestation and human rights abuses involves tracing the intricate web of connections between powerful corporations and the destruction they cause. While many big brands have adopted NDPE policies, their commitments often fail to effect real change. A key issue is the lack of enforcement across corporate conglomerates, allowing destructive practices to persist unchecked.

RAN's approach focuses on holding conglomerates accountable for their actions despite attempts to deflect responsibility. By scrutinizing ownership structures, we can identify those truly responsible for deforestation. Even with such scrutiny, though, corporations can find loopholes. For example, they can source from one arm of a corporate group. At the same time, another is actively involved in forest destruction and claims innocence because the two arms operate under different

names.

To ensure credibility, NDPE policies must encompass all elements of sustainability and set ambitious, time-bound targets for compliance. Unfortunately, many brands lack such targets, relying on insufficient action plans or certification systems. Ambiguities in “[Net Zero](#)” approaches further complicate matters, potentially enabling greenwashing and delaying real progress.

Ultimately, achieving real change requires transparent and accountable policies enforced across entire supply chains. Without meaningful action, forests and communities remain at risk, highlighting the urgent need for corporate responsibility and genuine commitment to ending deforestation and human rights violations.

Evaluation of Brands

As mentioned above, RAN’s “[Keep Forests Standing](#)” scorecard assesses ten major global brands in terms of their efforts to combat deforestation and human rights abuses in their supply chains. The 2023 evaluation included new criteria such as supply chain transparency and advocacy for regulations to end deforestation-linked commodities. Grades were nuanced with pluses and minuses, with a top score of A+ for brands that scored 24 points out of 12 evaluated elements.

Despite the urgent need for action amidst climate chaos and ecological damage, no brand had yet earned an ‘A’ grade. The worst performers, including Procter & Gamble, Mondeléz, Ferrero, and Nissin Foods, received an ‘F.’ Unilever led the pack, while Nestlé, PepsiCo, Kao, Colgate-Palmolive, and Mars showed moderate progress.

However, Ferrero, Mondeléz, Nissin Foods, and particularly Procter & Gamble were labeled as laggards, with Procter & Gamble even weakening its supplier requirements in its new policy. The brands were categorized into leaders, middle-of-the-pack, and laggards, emphasizing the need for significant improvement across the board.

Overall, while some brands had made strides, significant gaps persisted, especially in ensuring third-party verification and comprehensive NDPE policies. Here are the brands and the grades they received:

Unilever: C

By strengthening its policies and investing in landscape programs, Unilever maintained its leadership position.

Mars: D

Mars lacked third-party verification but issued guidance on land rights.

Nestlé: D

Nestlé claimed progress in achieving deforestation-free supply chains but lacked third-party verification.

PepsiCo: D

PepsiCo committed to human rights defenders and disclosed palm oil refineries but awaited verification.

Kao: D

Kao clarified its NDPE policy, disclosing monitoring systems.

Colgate-Palmolive: D

Colgate-Palmolive improved its NDPE policy, emphasizing supplier adherence.

Ferrero: F

Ferrero remains a laggard without NDPE policies for high-risk commodities.

Nissin: F

Nissin Foods revised its procurement policy but missed setting NDPE practices as a requirement.

Mondelēz: F

Mondelēz also lagged, lacking comprehensive NDPE policies.

P&G: F

Procter & Gamble regressed with weaker protections in its wood pulp supply

chain.

Recommendations

Major brands driving deforestation and human rights abuses need to drop empty promises and clean up their act. They must outline basic policies enforcing cross-commodity NDPE practices across all supply chains, setting a standard for others to follow. Grievance disclosure is improving, yet transparency on actions against violators like [Royal Golden Eagle Group](#) in Indonesia still needs to be improved. [Forest Positive Coalition](#)'s investments in landscape programs are crucial.

Increasingly, consumers worldwide are [demanding tangible actions](#), not just promises. A 2020 [survey](#) by Boston Consulting Group found a notable increase in environmental consciousness, with approximately 70 percent of individuals more aware of the link between consumption habits and environmental decline since the onset of the COVID-19 pandemic. Moreover, 87 percent of respondents expect corporations to play a role in addressing environmental concerns, with 77 percent saying that public subsidies should be contingent upon such efforts.

Still, as of 2023, despite worsening climate crises, all the brands we evaluated had yet to address their role in deforestation and rights violations adequately.

To survive in an increasingly aware consumer market that values sustainability and environmental protection, brands must establish ambitious traceability targets and transparent monitoring systems. Human rights monitoring and community consent require credible verification beyond mere certification.

In 2021, UN Secretary-General António Guterres issued a “code red for humanity” following the release of a worrisome [report](#) by the Intergovernmental Panel on Climate Change. “The alarm bells are deafening, and the evidence is irrefutable: greenhouse gas emissions from fossil fuel burning and deforestation are choking our planet and putting billions of people at immediate risk. Global heating is affecting every region on Earth, with many of the changes becoming irreversible,” he [warned](#).

“The viability of our societies depends on leaders from government, business, and civil society uniting behind policies, actions, and investments ... We owe this to the entire human family, especially the poorest and most vulnerable communities and nations that are the hardest hit despite being least responsible for today’s climate emergency.”

By Laurel Sutherlin

Author Bio: Laurel Sutherlin is the senior communications strategist for [Rainforest Action Network](#) and a contributor to the [Observatory](#). He is a lifelong environmental and human rights campaigner, naturalist, and outdoor educator passionate about birds and wild places. Follow him on Twitter [@laurelsutherlin](#).

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