



A decade of deforestation data

Annual Report 2024

A PROJECT OF



Global Canopy

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10 lessons from 10 years

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Voluntary action from companies **doesn't cut it**

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Regulation is needed for the **finance** sector

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Human rights must be **better embedded**

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Pressure must be applied to **all companies**

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Commitments are **never enough**

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Transparent reporting remains **essential**

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Deforestation must be recognised as **central to the climate agenda**

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More attention must be placed on **cattle**

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Some financial institutions are showing that rapid **progress is possible**



Foreword

Forest 500 is in its tenth year.

In 2014, powerful companies, financial institutions and governments made high-profile commitments to achieve zero net deforestation by 2020, as part of the [New York Declaration on Forests](#).

Global Canopy established the Forest 500 that same year, to identify and hold to account the companies and financial institutions with the greatest links to deforestation, conversion of natural ecosystems and associated human rights abuses.

If this group prioritised action – so the thinking went – global forest-risk supply chains would be transformed. And the world would move more rapidly towards achieving the vital climate change goals enshrined the following year in the landmark Paris Agreement.

Yet, after 10 years charting the annual progress of these 500 companies and financial institutions, we have only seen pockets of progress.

Front-running companies have demonstrated beyond doubt that market-driven deforestation is a solvable crisis. But, at the same time, Forest 500 data shows that a majority of the key players are persistently ignoring their role in driving the problem.

Most strikingly, almost a quarter (23%) of the companies and financial institutions that have featured in each of the 10 annual assessments

are still yet to publish a single commitment on addressing deforestation. Meanwhile, nearly two-thirds (63%) of companies that have set commitments are failing to publish adequate evidence of their implementation.

This is nowhere near good enough. If the last-chance-saloon commitment made by almost all the world's countries at COP26 to end and reverse deforestation by 2030 is to be achieved, then the market – which is linked to more than 90% of tropical deforestation – has to completely change tack on this issue.

This is still possible, and in the last couple of years there has been hopeful progress which must galvanise further action.

Major companies have made net-zero commitments that explicitly require action on deforestation as one of their first ports of call in the transition. A new global framework on biodiversity has been agreed by the world's countries – one that commits countries to protect tropical forests that are home to 80% of the world's terrestrial biodiversity. And halting and reversing deforestation by 2030 has been written into the final text agreed at COP28 in Dubai.

“This year has seen an almighty drought in the Amazon that has shocked even seasoned observers.”

But most importantly by far, these aspirations have started to be written into law. The European Union, the world's biggest single market, has brought due diligence requirements on deforestation onto the statute books for all companies that trade with the bloc. This will come into effect in December this year.

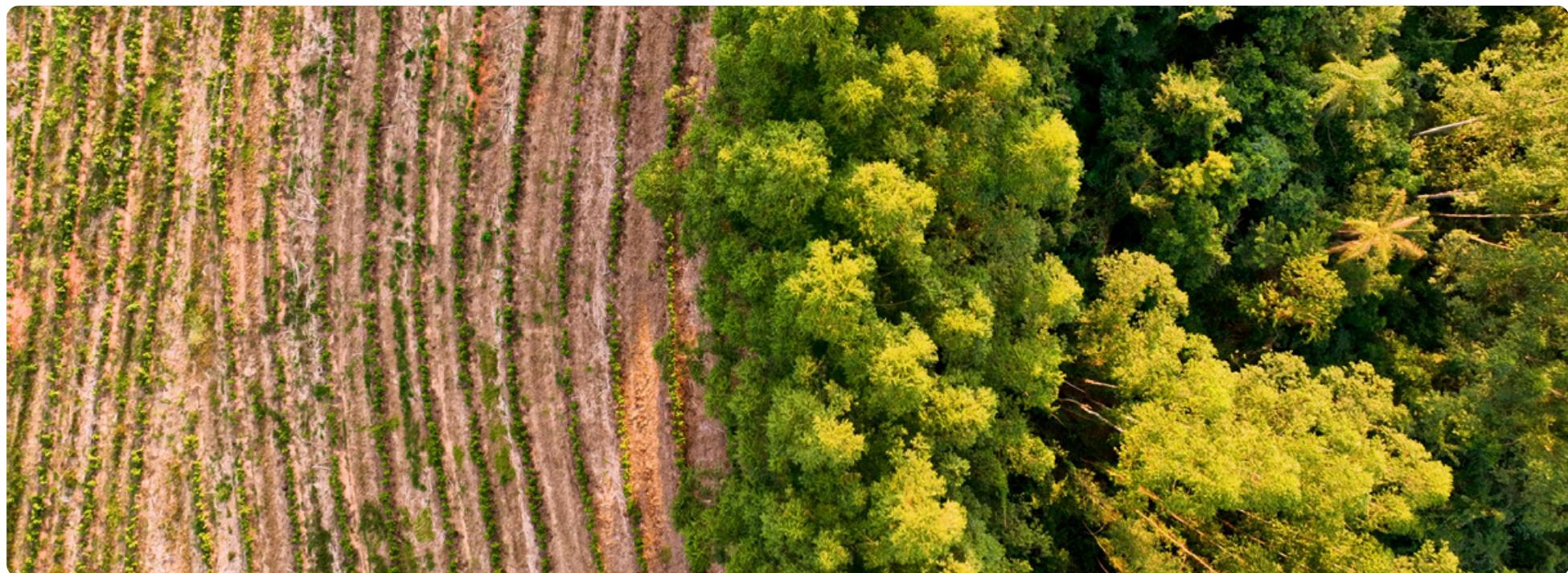
Now other jurisdictions must follow suit, and there is no time to lose. This year has seen an almighty drought in the Amazon that has shocked even seasoned observers. The Science Panel for the Amazon is clear that the world's greatest forest

is approaching a tipping point. One that can still be reversed – but that could otherwise have devastating consequences for the world – sending climate and nature targets out of reach.

In 2025, COP30 will be hosted in Belem, at the mouth of the Amazon. All eyes will be on the region and on deforestation. Global Canopy will be there to enable transparency, accountability and action. We are part of an ever-more determined global movement to end this crisis, consisting of civil society institutions, campaigners, governments,

businesses and financial institutions. And, most importantly, of the Indigenous peoples' groups that have been the greatest protectors of the world's forests – and have carried the greatest costs as they have been systematically destroyed.

We can win this fight, and we must. All of the pieces of the puzzle are now on the table – the data, the tools, the on-the-ground know-how – to move our economies decisively away from their self-destructive reliance on deforestation. Now political resolve and practical courage are needed to bring them urgently together.



Executive summary

After 10 years and 1.3 million data points charting the companies and financial institutions most exposed to tropical deforestation, conversion of natural ecosystems and associated human rights abuses, ‘Forest 500: A Decade of Deforestation Data’ sets out **10 lessons for enabling and accelerating action**.

Pockets of progress have emerged from voluntary corporate action on deforestation, with Nestlé being the highest average scorer over the past decade. But Forest 500 data shows that voluntary action just doesn’t cut it. Three in 10 (30%) Forest 500 companies don’t have a single publicly available deforestation commitment. Given the intensity of the spotlight on, and engagement with, these companies, all Forest 500 companies should now at least have a commitment in place for one commodity.

Regulation is essential to shift the system at the speed and scale required. A decade ago, we were staring into a regulatory void. Today, new regulation in key jurisdictions, like the EU and UK, should accelerate corporate action on this issue. Yet worryingly, only 1% of companies are likely on track to be compliant with incoming EU legislation. This includes French luxury multinationals LVMH and Kering.

Through their capital, financial institutions are uniquely placed to influence companies to become deforestation-free. But **regulation is also needed for the finance sector**. Over the past decade, financial institutions have progressed more quickly than companies but are further behind overall. 45% of

financial institutions in the Forest 500 now have a publicly available deforestation policy, compared to just 11% in 2014. But that still leaves the majority (55%) without a single policy.

This year, Ameriprise and Barclays made notable progress on reporting and implementation. This underscores appalling inaction from the likes of BlackRock, Vanguard and Wells Fargo, which still haven’t published a policy - despite being included for the last decade. Following progress between 2014-2019, finance sector action on deforestation has stalled in the past five years. New regulation must also apply to the finance sector.

The most concerning trend of all is the total blind spot on human rights. Deforestation is inextricably linked to land use conflict and violence and threats against forest, land and human rights defenders, making a focus on human rights imperative. But in 2023, only 1% of companies had published a commitment for all of the human rights commitments they’re assessed for. This shocking statistic reveals the serious work ahead to ensure **human rights are embedded and better understood as linked to deforestation**. Australia and New Zealand Banking Group Limited (ANZ) was the ►

“The most concerning trend of all is the total blind spot on human rights.”

only financial institution that required its clients and/or holdings to have a zero tolerance approach for violence and threats against forest, land, and human rights defenders in their supply chains.

Over the past 10 years, Forest 500 data has repeatedly shown that there is a large group of companies hiding in the middle of the pack when it comes to action on deforestation - including household brands like Adidas, Domino's and Ferrero. Close to two-fifths (37%) of Forest 500 companies have acknowledged the issue and their role and publicly set a deforestation commitment for at least one commodity, but have failed to set equal ambition across all of the highest risk commodities they're exposed to. **Applying pressure on all companies** - through investors, regulation and by increasing global recognition of the issue - is the only way to move this group towards action.

Commitments are never enough. They are not worth the paper they are written on unless they are acted on. In the latest assessment, nearly two-thirds (63%) of companies that have set commitments have not shown adequate evidence of implementing them, including Adidas, Starbucks and Gap. Just 6% of the companies with a deforestation commitment showed adequate evidence of implementation for all highest risk commodities.

Even with regulation, **transparent reporting remains essential.** A decade of assessments has shown that, even among the leaders, a lack of transparency is

holding back progress. Just 3% of companies are publicly reporting how much deforestation has occurred over time in their supply chains for all highest risk commodities.

Net-zero targets cannot be achieved without eliminating tropical deforestation. In recent years, the target has entered mainstream public consciousness as well as the regulatory arena. Accounting for 11% of global carbon emissions each year, companies and financial institutions must recognise that **deforestation is central to the climate agenda.** Despite this, 94% of Forest 500 companies with net-zero commitments are likely off-track to achieve those commitments, based on their inaction on deforestation and conversion.



of the companies with a deforestation commitment showed adequate evidence of implementation for all highest risk commodities.

We know that increased **public pressure on an issue leads to action.** The past two decades have seen increased awareness of the detrimental impact of palm oil, once the largest global driver of tropical deforestation. Thanks to global campaigns and well-established certification schemes, palm oil has

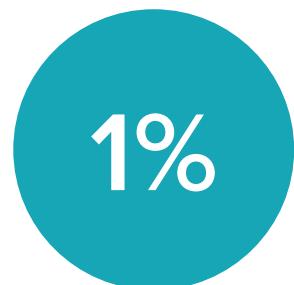
seen the strongest progress of any commodity. Three quarters (76%) of Forest 500 companies assessed for palm oil now have a deforestation commitment in place. Progress must be matched across all commodities.

Particular attention must be focused on cattle, the biggest driver of deforestation. A staggering 65% of Forest 500 companies assessed for beef and 70% of those assessed for leather have still not set a single publicly available deforestation commitment for these commodities. At the beginning of 2024, Brazil announced it had delivered the first leather cargo from 100% traced cattle - highlighting the progress that can be made.

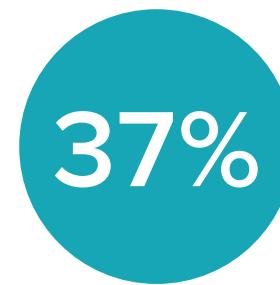
Collaboration, through joining networks like the Finance Sector Deforestation Action (FSDA), Ceres and the PRI supports laggards to learn from leaders. If a critical mass of companies and financial institutions driving deforestation take action today, it is possible to eliminate all commodity-driven deforestation and habitat conversion by 2030.

Recent progress from some financial institutions shows that rapid progress is possible. With just a handful of years remaining to meet the target of halting and reversing all deforestation by 2030, all 'powerbrokers' must step up and follow suit in what is a critical decade for humanity.

2023 in numbers



of companies had published a commitment for every human rights indicator on which they are assessed by Forest 500



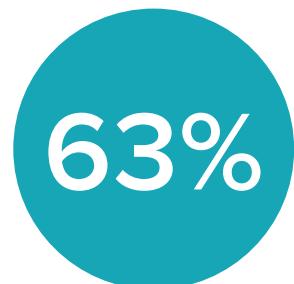
Forest 500 companies with at least one commitment but not for all of the commodities to which they are exposed



Forest 500 companies without a publicly available deforestation commitment for any of the highest risk commodities



Forest 500 financial institutions without a single publicly available deforestation policy



Forest 500 companies with at least one deforestation commitment but no adequate evidence of implementation



Forest 500 financial institutions without a comprehensive policy approach on deforestation across their portfolios

The three financial institutions providing the most finance to Forest 500 companies without a single publicly available deforestation commitment are:



J.P. Morgan Chase



Bank of America



Mitsubishi UFJ Financial

What is Forest 500?

Since 2014, Global Canopy's Forest 500 project has been identifying the companies and financial institutions with the greatest influence on tropical deforestation. Each year, it assesses them on the strength and implementation of their publicly available commitments on deforestation, conversion, and associated human rights abuses. If these companies and financial institutions prioritised action on this issue, global forest-risk supply chains would be transformed. Forest 500 pushes for greater transparency on their exposure to, and action on, deforestation, conversion, and associated human rights abuses, and holds the 500 companies and financial institutions accountable for their influence on forest-risk commodity supply chains.

For the past decade, Forest 500 has focused on the commodities that drive more than two-thirds of tropical deforestation (beef, leather, soy, palm oil, timber, pulp and paper).

What is the difference between deforestation and conversion?

Deforestation	Conversion
<p>"Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.</p> <ul style="list-style-type: none">• This definition pertains to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests.• Severe degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use.• Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.• The Accountability Framework's definition of deforestation signifies 'gross deforestation' of natural forest where 'gross' is used in the sense of 'total; aggregate; without deduction for reforestation or other offset.'	<p>"Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.</p> <ul style="list-style-type: none">• Deforestation is one form of conversion (conversion of natural forests).• Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure, or function.• Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal."

Source: <https://accountability-framework.org/use-the-accountability-framework/definitions/>

Continual laggards

Almost a quarter (23%) of the companies and financial institutions that have been in the Forest 500 for the past 10 years are still yet to publish a single deforestation commitment or policy.

After a decade of being in the spotlight and numerous engagement attempts from Forest 500, it is inexcusable that this group has failed to produce a single publicly available deforestation commitment. Ignorance has long ceased to be defence.

The group that has been willfully ignoring the data includes Europe's biggest shoe manufacturer, Deichmann Group, the second largest Chinese food and beverage company, Bright Food, and one of the world's largest investment companies, Vanguard.

23%

of the companies and financial institutions that have been in the Forest 500 for the past 10 years are still yet to publish a single deforestation commitment or policy.



Included in Forest 500 for the past decade but yet to publish a single deforestation commitment or policy

Companies

Ashley Furniture Industries Inc. Dalian Huafeng Furniture Co. Ltd.
New Hope Group Darmex Agro
Behshahr Industrial Development Corp. Parker-Migliorini International
Belle International Holdings Ltd. Coamo Agroindustrial Coop.
Guangdong Wens Foodstuff Group Co. Ltd Shanghai Construction Group
Pou chen X5 Group
Nitori Holdings Co. Ltd. Deichmann Group
Yamazaki Baking Co. Beidahuang Group
Htoo Group China State Construction Engineering Corp.
Amul China Resources Company Ltd.
WH Group Land O'Lakes Inc.
Rezervnaja Prodovol'stvennaja Kompanija TD ZAO Emami Ltd.
Nice Group Japfa Ltd
Bata Corp Li Ning Company Ltd.
East Hope Group Aokang Group Co. Ltd
Bright Food (Group) Co. Ltd. Granol
Pertamina Persero PT

Financial Institutions

BlackRock American International Group (AIG)
State Farm Franklin Resources
Sun Life Financial Charles Schwab
Toronto-Dominion Bank Principal Financial Group
Bank of New York Mellon Schweizerische Nationalbank
Dimensional Fund Advisors American Century Companies
Employees Provident Fund Wells Fargo
PNC Financial Services Magellan Financial Group
Janus Henderson T. Rowe Price
Vanguard Industrial and Commercial
Macquarie Group Bank of China
Bank of China Wellington Management
Geode Capital Management Groupe BPCE
Capital Group Prudential Financial (US)
Prudential Financial (US) State Street

What is a deforestation commitment / policy?

Companies	Financial institutions
<p>A publicly available commitment that sets out clear standards relating to deforestation or the conversion of natural ecosystems in a company's supply chain(s). This must be published on the company's website.</p>	<p>A publicly available commitment that sets out clear standards for financed clients/holdings/companies relating to deforestation or the conversion of natural ecosystems. This must be published on the organisation's website.</p>
<p>The company must have a commitment specific to the relevant commodity (and name the commodity explicitly) to eliminate deforestation or protect forests in their production operations or supply chain.</p>	<p>Companies relying on several certification schemes must state a preference for one that is credible. Being a 'member' of a certification scheme/body does not score for this indicator.</p>
<p>Commitments under this indicator are classified under these categories to enable differentiation among companies on the level of ambition of commitments falling under this indicator.</p> <p>If a company has multiple commitments under this indicator, only the strongest commitment is scored.</p>	<p>Commitments to produce or procure 'sustainably' or 'responsibly' produced commodities, or commitments to certifications that are not listed as credible under this methodology will be considered a sustainability commitment.</p> <p>Other terms are as defined by the Accountability Framework Initiative.</p>
<p>Commitments that state the company will, or plans to, only source commodities whose production is certified by a credible certification scheme are accepted.</p>	<p>The company must state the specific commodity by name. General statements will not score for this indicator.</p>
<p>Read: here</p>	<p>Read: here</p>

How are companies and financial institutions assessed?

Companies and financial institutions are assessed on the strength and implementation of their action on deforestation, conversion, and associated human rights abuses. We use Forest 500 assessment methodologies that have been reviewed and aligned with best practice annually since 2014. The company methodology is aligned with the Accountability Framework Initiative Common Methodology and wider guidance, and the financial institution assessment methodology is aligned with the Finance Sector Roadmap which is endorsed by the Accountability Framework.

Companies and financial institutions are assessed on their publicly available commitment on deforestation,

conversion, and associated human rights using solely the information they have made publicly available on their websites. They are assessed on four key components of any approach on deforestation: overall approach at the board level; policy/commitment strength; associated human rights abuses; and implementation and reporting. For the first time, in 2023 companies and financial institutions were given the opportunity to view and provide optional comments on their assessment in advance of the publication of the data. Those who submitted comments received responses from Global Canopy.

Our assessment methodologies are available in their entirety [here](#).



The leaders

Over the past decade, these companies have made strong progress on deforestation, conversion and associated human rights abuses. This includes developing policies, implementing them and reporting on progress.

The list to the right includes companies that have consistently scored above 50% in each year that they've been assessed in the Forest 500. Some have repeatedly scored above 50% for the past decade.

Nestlé has the highest average score (81%) over the 10 years it has been assessed, but its total score in 2023 was lower (66%). No financial institutions have scored above 50% for every year they have been assessed.

“No financial institutions have scored above 50% for every year they have been assessed”

Name of company	When added to Forest 500	Number of times assessed	Average score /100 since first added	2023 score /100
Nestlé S.A	2014	10	81	66
Unilever Plc.	2014	10	73	64
Mars Inc.	2014	10	71	62
Danone, Groupe	2014	10	69	59
Colgate-Palmolive Co.	2014	10	67	56
Neste Corp.	2014	10	65	51
PepsiCo Inc.	2014	10	62	61
Socfin Group	2016	8	63	56
Sipef Group	2020	4	66	66
Upfield Holdings BV	2022	2	56	57

10 lessons from 10 years



Lesson One

Voluntary action from companies doesn't cut it - regulation is the only way to shift the system

Three in 10 (30%) Forest 500 companies still do not have a publicly available deforestation commitment for any of the highest risk commodities they're exposed to through their supply chains.

Forest 500 data reveals a strong uptick in commitments between 2014-2019 but in recent years, this has rapidly slowed.



30%

of Forest 500 companies still don't have a deforestation commitment for any of the highest risk commodities they're exposed to through their supply chains.

It is clear that while some leaders are willing to make progress on these issues, a significant group is unwilling to act on a voluntary basis. Without regulatory pressure, companies will not act at the speed and scale needed.

Although progress started off slow, Forest 500 assessments showed a growing number of companies setting commitments between 2016 and 2020 - from 49% in 2016 to 66% in 2020. It then grew further to 70% in 2023, but this is an increase of just 19 percentage points over a decade.

Graph 1: (%) Proportion of companies with at least one commodity specific deforestation commitment



Nearly a third of the companies with the greatest influence on tropical deforestation through their production or procurement of forest-risk commodities are still unwilling to address the risk of deforestation and conversion in their supply chains. This includes the largest car manufacturer in Europe, VW Group, and one of the biggest leather producers in the world, Gruppo Mastrotto.

Reliance on voluntary action



For many years, corporate action on deforestation has been reliant on voluntary action. Although regulation will soon be implemented in key consumer markets, many companies are still not required to act on these issues. To end deforestation globally, we need to shift a system that is still reliant on companies and financiers recognising the risks and impacts they face and allocating resources to address them. A decade of data shows that this strategy won't work.

The companies included every year - but still without public commitments

Nearly a fifth (17%) of the 189 companies that have been included in the Forest 500 assessments every year since 2014 have still not published a single deforestation commitment for any of the highest risk commodities they're exposed to through their supply chains. This includes Land O'Lakes, whose CEO made the latest TIME100 Climate list for her contributions to sustainability.

Company name	Key brands	HQ location	Sector	Commodities exposed to
Amul	"Amul"	India	Packaged Foods & Meats, Paper Packaging	Palm oil, Pulp & Paper, Soy
Aokang Group Co. Ltd.	"Aokang", "Kanglong", "Redess", "MeiRie", "Valleverde"	China	Apparel Retail	Leather, Pulp & Paper
Ashley Furniture Industries Inc.	"Ashley"	United States	Home Furnishings, Paper Packaging	Leather, Pulp & Paper, Timber
Bata Group	"North Star", "Weinbrenner", "Bubblegummers", "Power", "Bata Industries", "Touchees", "Verlon", "Teener", "B-First", "Footin", "Patapata", "Maire Claire", "Tomy Takkies"	Switzerland	Footwear, Paper Packaging	Leather, Pulp & Paper
Behshahr Industrial Development Corp.	"Bahar Frying Oil", "Bahar Almas", "Ladan Gold", "Ladan"	Iran	Agricultural Products, Food Distributors, Paper Packaging	Palm oil, Pulp & Paper, Soy
Beidahuang Group	"Beidahuang", "Wondersun", "Jiusan"	China	Agricultural Products, Food Distributor, Paper Packaging	Pulp & Paper, Soy

Company name continued	Key brands	HQ location	Sector	Commodities exposed to
Belle International Holdings Ltd.	"Belle", "Staccato", "Tata", "15mins" "Teenimix", "Basto", "Senda", "Skap", "Map", "Mirabell"	Hong Kong SAR	Packaged Foods & Meats, Paper Packaging	Palm oil, Pulp & Paper, Soy
Bright Food (Group) Co. Ltd.	"Manassen", "Sunbeam", "Mildura Fruit Juices", "A view to food", "Margaret River", "Simon Johnson", "Metro", "Blakc Peal", "Australia on a plate", "Mundella", "The Simply Fine Food Company", "Guangming dairy", "Guansheyuan food", "Da Bai Tu candy", "Maling", "Bright", "Auarius", "Shikumen", "Yutang", "Tip Top", "Haifeng", "Aiseng", "Daying Duck", "Shengfeng"	China	Packaged Foods & Meats, Paper Packaging	Palm oil, Pulp & Paper, Soy
China Resources Company Ltd.	"CR Beer", "Ng Fung", "C'estbon Beverages"	Hong Kong SAR	Food Distributor, Food Retail, Paper Packaging	Beef, Palm oil, Pulp & Paper, Soy
China State Construction Engineering Corp.		China	Forest Products, Paper Packaging	Pulp & Paper, Timber
Coamo Agroindustrial Coop.	"Coamo Foods", "Prime", "Anniela", "Soulls"	Brazil	Food Distributors, Industrial Conglomerates	Soy
Dalian Huafeng Furniture Co. Ltd.		China	Home Furnishings, Paper Packaging	Pulp & Paper, Timber
Darmex Agro	"Palma Cooking Oil"	Indonesia	Agricultural Products	Palm oil, Pulp & Paper
Deichmann Group	"5th Avenue", "Catwalk", "Graceland", "Landrover", "Venice", "Borelli", "Claudio Conti", "Memphis One, "Medicus", "Easy Street"	Germany	Apparel Retail, Footwear, Paper Packaging	Leather, Pulp & Paper
East Hope Group	"Oreintal Hope", "Golden Bean", "East Hope", "Red Gate"	China	Agricultural Products, Paper Packaging	Palm oil, Pulp & Paper, Soy, Timber

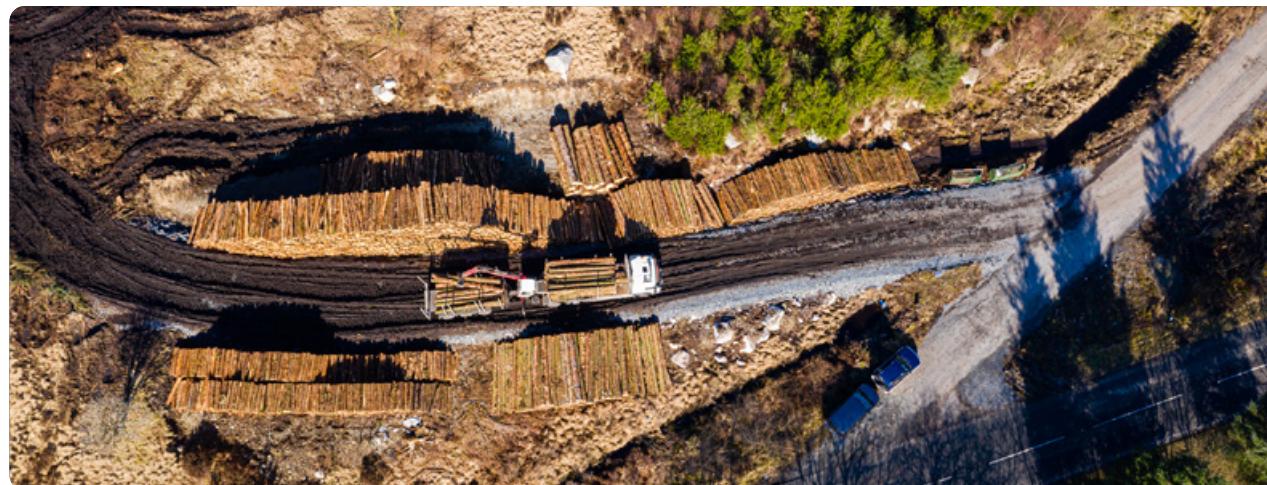
Company name continued	Key brands	HQ location	Sector	Commodities exposed to
Emami Ltd.	"Boro Plus", "Navratna", "Zandu Balm", "Fair and Handsome", "Methno Plus Balm", "Fast Relief", "Sona Chandi", "Kerari Jivan", "Vasocare", "Zandu", "7OilsinOnce", "Kesh King", "Diamond Shine", "HE", "Emami", "Naturally Fair"	India	Agricultural Products, Construction & Engineering, Personal Products	Palm oil, Pulp & Paper, Soy, Timber
Granol	"Granol", "Grandiesel", "Tupa", "Adamantina"	Brazil	Agricultural Products	Soy
Guangdong Wens Foodstuff Group Co. Ltd.		China	Agricultural Products, Food Distributors, Paper Packaging	Palm oil, Pulp & Paper, Soy
Htoo Group		Myanmar	Agricultural Products, Food Distributors, Industrial Conglomerates, Paper Packaging	Palm oil, Pulp & Paper, Timber
Japfa Ltd.	"Greenfields", "SoGood Food"	Indonesia	Agricultural Products, Food Retail, Paper Packaging	Beef, Palm oil, Pulp & Paper, Soy
Land O'Lakes Inc.	"Land O Lakes", "KozyShack", "Alpine Lace", "Vermont Creamery", "Purina", "Mazuri", "WinField United", "Answer Tech", "Answer Pilot"	United States	Agricultural Products, Food Distributors, Paper Packaging	Palm oil, Pulp & Paper, Soy
Li Ning Company Ltd.	"Li Ning", "Double Happiness", "AIGLE", "DANSKIN", "Kason"	China	Apparel Accessories & Luxury Goods, Apparel Retail, Paper Packaging	Leather, Pulp & Paper
New Hope Group		China	Agricultural Products, Paper Packaging	Palm oil, Pulp & Paper, Soy
Nice Group	"Nice", "Fasclean", "Diao", "Supra", "CNICE"	China	Household Products, Paper Packaging	Palm oil, Pulp & Paper
Nitori Holdings Co. Ltd.	"Notori", "Aki-Home"	Japan	Home Furnishings, Paper Packaging	Leather, Pulp & Paper, Timber

Company name continued	Key brands	HQ location	Sector	Commodities exposed to
Parker-Migliorini International		Switzerland	Food Distributors, Paper Packaging	Beef, Pulp & Paper
Pertamina Persero PT	"Pertamina"	Indonesia	Agricultural Products	Palm oil
Pou chen		Taiwan	Apparel Accessories & Luxury Goods, Packaged Foods & Meats	Leather, Pulp & Paper
Rezervnaja Prodovol'stvennaja Kompanija TD ZAO		Russia	Food Distributors	Beef
Shanghai Construction Group		China	Forest Products, Paper Packaging	Pulp & Paper, Timber
WH Group	"Farmland", "Farmer John", "Kretschmar", "John Morrell", "Cook's", "Carando", "Margherita", "Curly's", "Healthy ones", "Pure Farms", "Saags", "Prime", "American Farms", "Branding Iron", "Captain Morgain BBQ", "Dinner Bell", "El Mino", "Hunter", "Higueral", "Il Primo", "Lido", "Lykes", "Maple River", "Marca El Rey", "Meryrose", "Ohse", "the Peanut Shop", "Peyton's", "Rand Brand", "Riojano", "Schickhaus", "Shenson", "Stegano", "Sterling", "Sunnyland", "Yorkshire Farm Brand", "Morliny", "Mazury", "Krusk", "Smithfield"	Hong Kong SAR	Packaged Foods & Meats, Paper Packaging	Hypermarkets & Super Centers, Paper Packaging
X5 Group	"Pyaterochka", "Perekrestok", "Karusel"	Russia	Hypermarkets & Super Centers, Paper Packaging	Beef, Palm oil, Pulp & Paper, Soy
Yamazaki Baking Co.	"Yamazaki"	Japan	Packaged Foods & Meats, Paper Packaging	Palm oil, Pulp & Paper, Soy

Regulation will accelerate progress

A decade of inaction shows the necessity of legislation to drive change. Regulation in the EU and the UK should accelerate progress on eliminating commodity-driven deforestation, by levelling the playing field and forcing the laggards to act. Both the European Union Deforestation Regulation (EUDR) and UK Environment Act represent a critical opportunity to raise the bar for action, which has been missed on voluntary commitments.

But both laws also need to go further. Even though the data shows financial institutions are lagging when it comes to action on deforestation, the finance sector is exempt from the EUDR. Neither law covers the human rights abuses that go hand in hand with deforestation.



The EUDR is in danger of allowing a significant amount of conversion because of its narrow definition of forests, which should be expanded to include the conversion of all natural ecosystems. And as the UK Environment Act only covers illegal deforestation, it doesn't cover forests that producer countries allow to be legally cleared.

Both laws must be strengthened but, crucially, regulation must follow in other jurisdictions too. Currently they only apply to companies operating in, or placing products on, the EU/UK market. Although this will have global impact, many influential companies, including some of those in the Forest 500, aren't covered by the legislation and thus not mandated to act.

What is the EUDR and UK Environment Act?

In June 2023, the European Union Deforestation Regulation (EUDR) became the world's first deforestation due diligence law. It requires companies that trade in or are placing products containing seven key commodities on the EU market to conduct due diligence to ensure their products are not linked to deforestation. Large businesses will have to show they are complying by December 2024; small and medium-sized businesses have until June 2025.

The due diligence portion of the UK Environment Act still requires secondary legislation to become law. It prevents the use of forest-risk commodities derived from illegally deforested land and covers businesses with a global annual turnover of more than £50 million and which use more than 500 tonnes of regulated commodities.

What needs to happen now?

Companies with no publicly available policy:

- Recognise the growing risks they face by being linked to deforestation risk.
- Set a publicly available policy immediately.

Leading companies:

- Drive change across global supply chains by engaging suppliers to bring them into compliance.
- Require suppliers to not just ensure that their supply is free from deforestation, but that all the suppliers' products and operations are too.
- By pushing change up through supply chains, companies can multiply the impact of their action on deforestation and conversion - especially if frontrunners collaborate.

EU/UK policymakers:

- EU and UK regulation needs to be reviewed to identify where there are more opportunities to continue to raise the bar for action from companies exposed to deforestation risk, including raising expectations on the conversion of natural ecosystems, and the human rights abuses often associated with deforestation and conversion.
- For the UK, this also includes expanding from illegal deforestation only, to deforestation regardless of legality.
- This will help to fill the void left by voluntary commitments and drive greater progress across forest-risk commodity supply chains.



Lesson Two

Regulation is needed for the finance sector
- without it, the sector will keep financing deforestation

Financial institutions have a critical role to play in eliminating deforestation, conversion and associated human rights abuses, through the finance they provide to companies in forest-risk commodity supply chains. As of October 2022, the 150 Forest 500 financial institutions provide a total of \$6.1 trillion to the 350 Forest 500 companies.

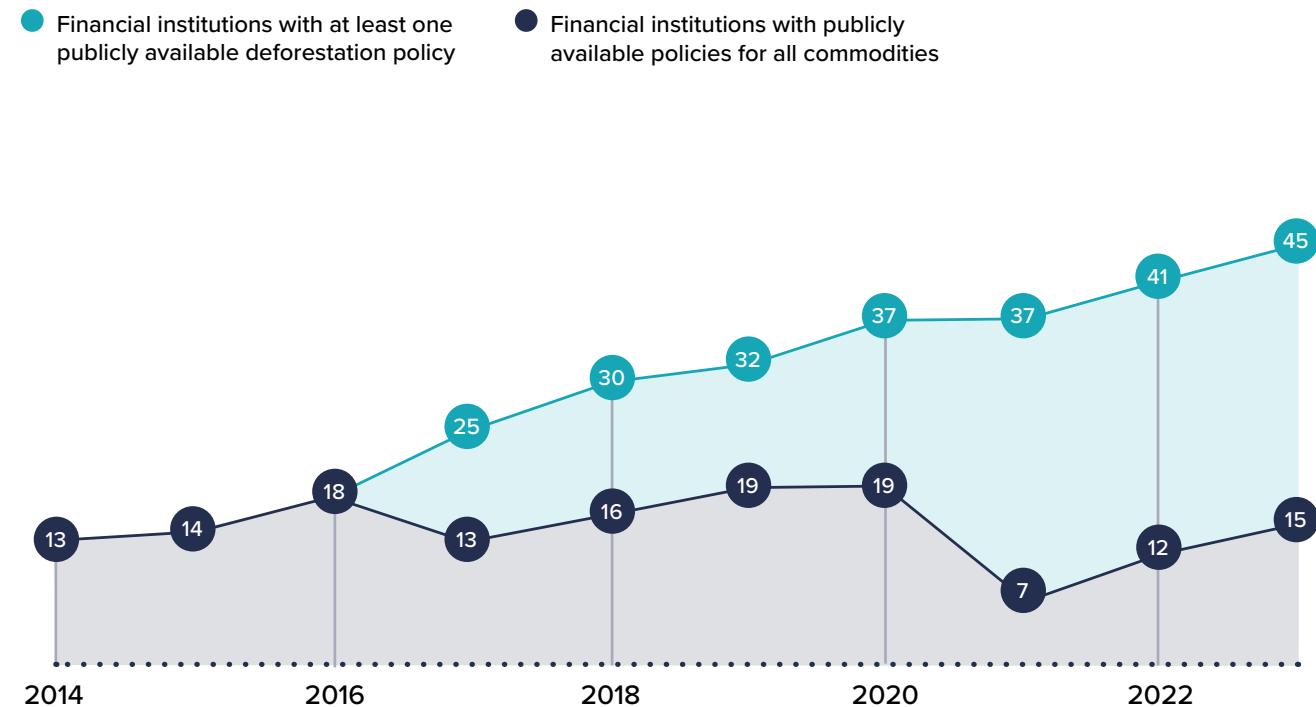


A decade of assessments has revealed progress since 2014, with the proportion of financiers with at least one publicly available policy growing from 11% in 2014 to 32% in 2019, peaking at 45% in 2023¹.

Although this shows what can be achieved over a decade, the majority (55%) of Forest 500 financial institutions with the greatest influence on tropical deforestation are still to step up on this issue. This is despite deforestation and nature loss rapidly rising up the international agenda, and a range of tools and guidance now available to the finance sector. If it takes another decade for the majority to catch up, we're in trouble.

28 financial institutions that have been included in the Forest 500 every year since 2014 still do not have a public-facing deforestation policy, including BlackRock, Vanguard and T. Rowe Price. These 28 financial institutions represent over two-fifths (41%) of the financial institutions that have been included every year.

Graph 2: % Proportion of financial institutions published at least one deforestation policy



¹ For a financial institution to be considered as having a publicly available deforestation policy for a given commodity, it requires different criteria depending on the year, due to changes in the methodology over time. In 2014-2016, the financial institution must have had a commodity sustainability policy (1.3-1.6) AND state that their sustainability policy includes deforestation (2.3). In 2017-2020, the financial institution must have required that companies' business operations do not adversely impact Primary/Intact/Natural/High Conservation Value/High Carbon Stock forests (2.3) OR specify that its overarching deforestation policy applies to specific commodities (2.1). In 2021-2023, the financial institution must have had a deforestation policy (2.1) specifying credible certification or higher.

Financial institutions included in the Forest 500 since 2014, yet to publish a single deforestation policy, in order of amount of finance to Forest 500 companies

Financial institution name	HQ country	Type of financial institution	Amount of finance provided to Forest 500 companies in latest selection process(USDM) ²	Three Forest 500 clients/holdings receiving the most finance
Vanguard	United States	Asset Management	17,178,109	Amazon; Home Depot; Johnson & Johnson
BlackRock	United States	Asset Management	17,163,964	Amazon; Johnson & Johnson; Shell
State Street	United States	Asset Management, Bank	8,337,869	Amazon; Home Depot; Johnson & Johnson
Capital Group	United States	Asset Management	5,549,189	Amazon; Home Depot; Nestlé S.A.
Geode Capital Management	United States	Asset Management	3,180,728	Amazon; Johnson & Johnson; Procter & Gamble
T. Rowe Price	United States	Asset Management	2,989,986	Amazon; Nike Inc.; YUM! Brands, Inc.
Wells Fargo	United States	Asset Management, Bank, Insurance Company, Asset Owner	2,821,365	Amazon; Target; Walmart Inc.

²Based on active financing data from [Profundo](#), including active financing provided to Forest 500 companies, as of October 2022. Financial databases including Refinitive and Bloomberg. Company reports and other public datasets were used to identify shareholders, loans and underwritings, and bondholders.

Continued on next page ►

Financial Institution name	HQ country	Type of Financial Institution	Amount of finance provided to Forest 500 companies in latest selection process (USDM) ²	Three Forest 500 clients/holdings receiving the most finance
Wellington Management	United States	United States, Asset Management	2,236,944	Amazon; Colgate-Palmolive Company; Procter & Gamble
Bank of New York Mellon	United States	Asset Management, Bank	2,003,512	Amazon; Home Depot; Johnson & Johnson
Sun Life Financial	Canada	Asset Management, Insurance Company, Asset Owner	1,694,135	Amazon; Colgate-Palmolive Company; Nestlé S.A.
Franklin Resources	United States	Asset Management	1,497,396	Amazon; Home Depot; Johnson & Johnson
Toronto-Dominion Bank	Canada	Asset Management, Bank, Insurance Company, Asset Owner	1,270,006	Amazon; Toyota; Walmart Inc.
Charles Schwab	United States	Asset Management, Bank	1,267,837	Amazon; Home Depot; Walmart Inc.
Groupe BPCE	France	Asset Management, Bank	1,167,750	Amazon; Danone; LVMH Moet Hennessy Louis Vuitton S.A.
Prudential Financial (US)	United States	Asset Management, Bank	1,127,706	Amazon; Home Depot; Nike Inc.
Dimensional Fund Advisors	United States	Asset Management	1,082,755	Amazon; Johnson & Johnson; Walmart Inc.
State Farm	United States	Asset Management, Bank, Insurance Company, Asset Owner	993,346	Archer Daniels Midland; Johnson & Johnson; Walmart Inc.
Janus Henderson	United Kingdom	Asset Management	740,516	Amazon; Nike Inc.; Procter & Gamble

Financial Institution name	HQ country	Type of Financial Institution	Amount of finance provided to Forest 500 companies in latest selection process (USDM) ²	Three Forest 500 clients/holdings receiving the most finance
Schweizerische Nationalbank	Switzerland	Asset Management, Bank	713,131	Amazon; Johnson & Johnson; Walmart Inc.
PNC Financial Services	United States	Asset Management, Bank	601,516	Home Depot; Procter & Gamble; VF Corp.
American Century Companies	United States	Asset Management	591,945	Amazon; Johnson & Johnson; Walmart Inc.
Principal Financial Group	United States	Asset Management, Insurance Company, Asset Owner	498,309	Amazon; Costco Wholesale Corporation; Johnson & Johnson
Bank of China	China	Asset Management, Bank	495,595	China State Construction Engineering Corp.; Fonterra Cooperative Group Ltd; Shell
Macquarie Group	Australia	Asset Management, Bank	491,729	Amazon; Archer Daniels Midland; ConAgra Brands Inc
Magellan Financial Group	Australia	Asset Management	353,689	PepsiCo Inc.; Starbucks Corp.; YUM! Brands, Inc.
American International Group (AIG)	United States	Asset Management, Insurance Company	219,396	Home Depot; Shell; Walmart Inc.
Employees Provident Fund	Malaysia	Pension Fund, Asset Owner	116,204	Batu Kawan Group; IOI Group; Sime Darby Plantations

In 2023, just 15% of Forest 500 financial institutions had a public deforestation policy in place for all four highest risk commodities, which drive over two thirds of tropical deforestation. For financial institutions, these four commodities are palm oil, soy, cattle products (beef and leather) and timber products (timber and pulp and paper). This means that 85% of those assessed do not have a comprehensive policy approach on deforestation across their financial portfolios. Financial institutions have consistently shown that there is no imperative to act on deforestation. Regulation for corporates alone will not halt commodity-driven deforestation: it is also urgently needed for the finance sector.



of those assessed do not have a comprehensive policy approach on deforestation across their financial portfolios.

10 highest scoring financial institutions with a publicly available deforestation policy for all four commodities

Name	2023 Total Score
Schroders	58
Rabobank	55
BNP Paribas	51
Deutsche Bank	45
Standard Chartered	45
Barclays	43
SMBC Group	38
Banco Bilbao Vizcaya Argentaria (BBVA)	36
ABN Amro	35
HSBC	34

What needs to happen now?

Policymakers:

- Regulation must apply to the finance sector
 - financial institutions must be mandated to act.
- Legislation must be ambitious and cover all forms of deforestation and the conversion of natural ecosystems for all high risk forest commodities including cattle products (beef, leather), soy, palm, timber products (timber, pulp and paper), as well as the human rights abuses that are often associated with deforestation and conversion.

Leading financial institutions:

- Continue transparently reporting progress to show what is possible when financial institutions act on deforestation. This will continue to raise the bar for financial institutions that are yet to start their journey.
- Transparent reporting will help to inform policy dialogues and reviews. This increases the likelihood of strong legislation to mandate other financial institutions to act - for example by conducting due diligence and engaging clients and holdings. This will level the playing field and drive sector-wide change.

- Continuing to make and showcase progress will increase the reputational risks for financial institutions that are yet to start acting on these issues, encouraging them to act while legislation is pending.

Financial institutions without policies:

- Recognise that without immediate action, the risks that are becoming increasingly apparent to financial institutions (compliance, financial, reputational) will grow into impacts.
- Start by assessing exposure to risks and impacts, understanding which clients/holdings have the highest risks and setting publicly available policies immediately.



Lesson Three

Human rights must be embedded and better understood as linked to deforestation

Deforestation and conversion are intrinsically linked to human rights abuses. This includes violence and threats against forest, land and human rights defenders, conflicts over customary rights to land, resources, and territory, and failure to secure the free prior and informed consent of Indigenous peoples and local communities.





of companies had a policy for all of the human rights issues for at least one of the highest risk commodities they're assessed for

Deforestation is often enabled by such human rights violations, meaning any effective approach on deforestation must also include comprehensive action on the associated human rights abuses.

Shockingly, just 1% of the companies assessed in 2023 had a publicly available commitment in place for all of the human rights commitments across at least one of the highest risk commodities they're assessed for. None had this for all commodities.

28 companies that have been continuously assessed since 2014 have scored 0 in the human rights section of the Forest 500 methodology every year. This includes Darmex Agro, one of Indonesia's largest palm oil cultivation, production and exporting groups.

In 2014, 11% of companies had a policy for all of the human rights commitments for at least one of the highest risk commodities they're assessed for. This dropped to just 1% in 2023, when the Forest 500 strengthened its methodology in line with emerging best practice. These four companies were: Danone, Groupe, Musim Mas, PepsiCo Inc and Upfield Holdings BV.

The companies that have been continuously assessed since 2014 that have scored 0 for human rights

Amul	JA Group
Aokang Group Ltd.	New Hope Group
Behshahr Industrial Development Corp.	Nice Group
Beidahuang Group	Nine Dragons Paper Holdings
Belle International Holdings Ltd.	Nitori Holdings Co. Ltd.
Bright Good (Group) Co. Ltd.	NordSud Timber
China Resources Company Ltd.	Parker-Migliorini International
Cresud S.A.	Rezervnaja Prodovol'stvennaja Kompanija
Dalian Huafeng Furniture Co Ltd.	TD ZAO
Darmex Agro	Shandong Chenming paper Holdings Co. Ltd.
East Hope Group	Shanghai Construction Group
Groupe Blattner Elwyn	Toyo Suisan Kaisha Ltd.
Grupo Jari	Want Want
Guangdong Wens Foodstuff Group Co. Ltd.	Yamazaki Baking Co
Inner Mongolia Yili Industrial Group Co. Ltd.	

The human rights indicators

The Forest 500 methodology assesses companies and financial institutions on whether they have published commitments to respect the customary rights of Indigenous peoples (IPs) and also of local communities (LCs) to land, resources, and territory, and commitments on zero tolerance for violence and threats against forest, land, and human rights

defenders. The latest findings show that companies and financial institutions alike are still not taking the crucial step of publishing commitments/policies to respect rights of Indigenous peoples (IPs) and local communities (LCs) in particular.

Deforestation and human rights abuses

Deforestation and the conversion of natural ecosystems is often preceded or accompanied by human rights abuses and violations including violence, threats, and land conflicts. Any effective approach on deforestation and conversion must also include effective action on the human rights abuses that can be associated with these impacts. This should include: commitments to test and secure the free prior and informed consent (FPIC) of Indigenous peoples and local communities; commitments to respect customary rights to land, resources, and territory; adopting a zero tolerance approach for violence and threats against forest, land, and human rights defenders; and respecting labour rights throughout supply chains.

Testing for and securing the free, prior and informed consent (FPIC) is a critical way companies can engage with Indigenous peoples and also local communities prior to land developments or acquisitions, and is supported by an established legal framework. But this is **frequently** reliant on the formal recognition of land managed by Indigenous peoples, meaning in many regions FPIC is not required.

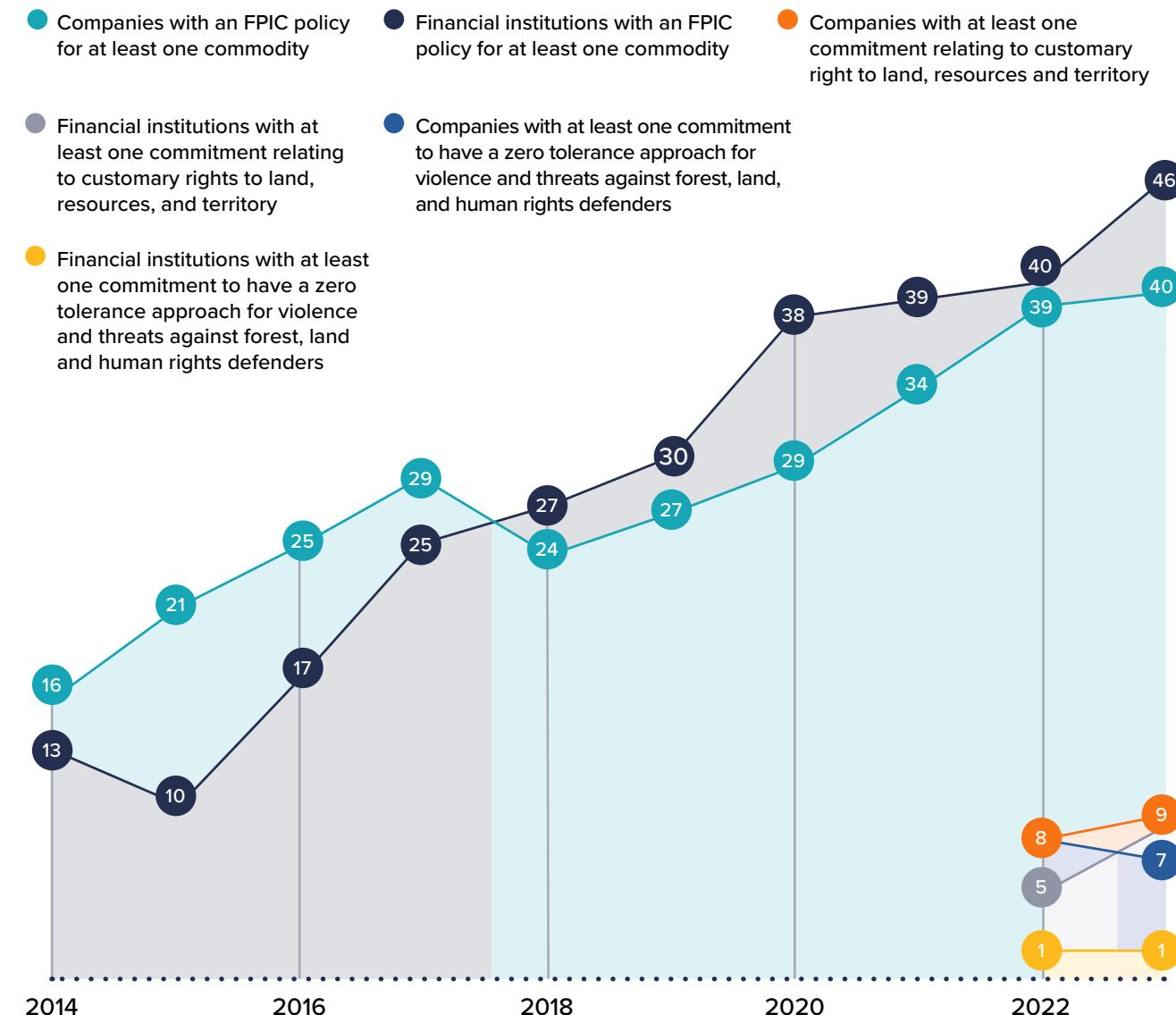
This is why it is also crucial that companies publish commitments to refrain from any land developments or acquisitions until any conflicts relating to customary rights to land, resources, and territory in their supply chains/sourcing regions have been resolved.



Since 2014 the proportion of companies with a publicly available policy in place to respect the free, prior and informed consent (FPIC) of Indigenous peoples and local communities for at least one commodity has increased from 16% in 2014 to 40% in 2023. But when looking at corporate performance on other critical issues that impact Indigenous peoples as well as local communities on the ground, the picture is much bleaker.

- 91% of companies assessed in 2023 did not have a single publicly available commitment to refrain from any land developments or acquisitions until any conflicts relating to customary rights to land, resources, and territory in their supply chains/sourcing regions have been resolved. This compares to 92% in 2022, when this indicator was first assessed.
- 93% of companies do not have a single publicly available commitment on adopting a zero tolerance approach for violence and threats against forest, land, and human rights defenders. This marks a slight worsening from 92% in 2022, when the indicator was first assessed.

Graph 3: Proportion of companies / financial institutions with public commitments on associated human rights abuses



Finance sector action on human rights

When we look to the finance sector and what it requires of its clients/holdings, only 46% of financial institutions had published a policy encouraging or requiring their clients/holdings to test for and secure the free, prior and informed consent (FPIC) of Indigenous peoples and of local communities in 2023. This shows an improvement from 11% in 2014 - more than tripling over the decade - but is still not enough.

A staggering 91% of Forest 500 financial institutions do not encourage or require their clients/holdings to respect the customary rights of Indigenous peoples and local communities to land, resources, and territory for at least one of the highest risk commodities. Further, just one financial institution, Australia and New Zealand Banking Group Limited (ANZ), encouraged or required its clients/holdings to have a zero tolerance approach for violence and threats against forest, land, and human rights defenders in its supply chains for any highest risk commodities. Unless these two associated human rights issues are also addressed, deforestation and conversion cannot be effectively eliminated from forest-risk supply chains.

91%

of Forest 500 financial institutions don't encourage or require their clients/holdings to respect the customary rights of Indigenous peoples and local communities

What needs to happen now?

Companies:

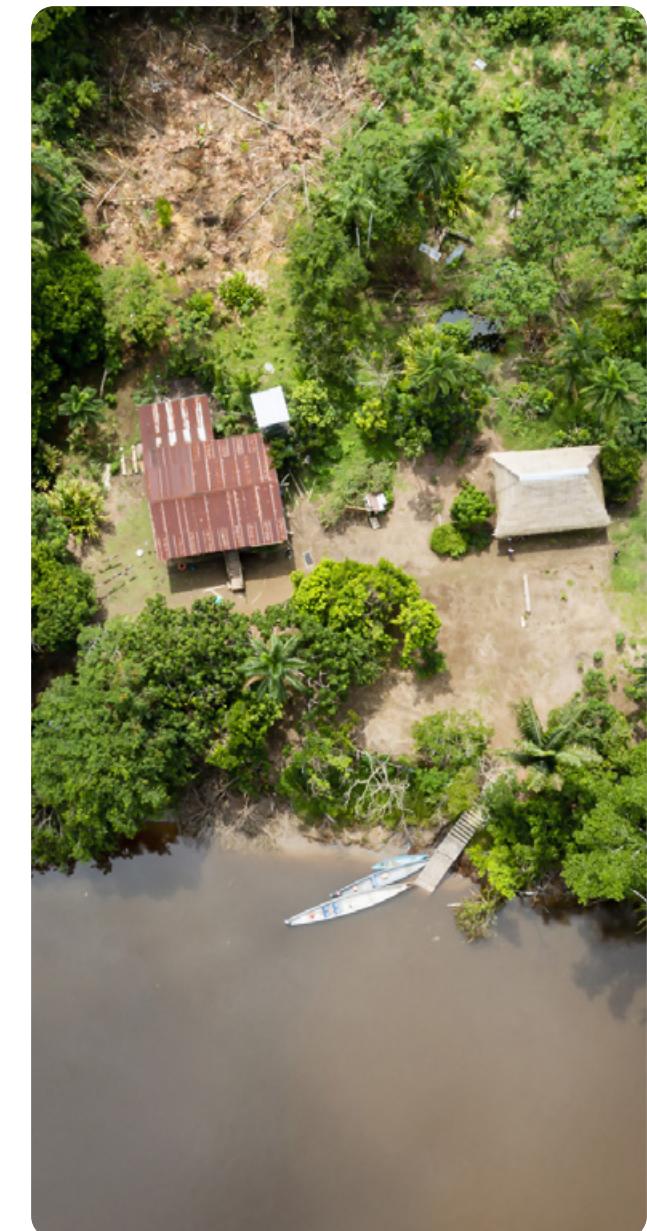
- Companies need to publicly set and rapidly begin implementation of commitments that respect human rights, including those of Indigenous peoples and also local communities in their supply chains, or risk failing to achieve any deforestation or net-zero commitments.

Financial institutions:

- Financial institutions need to require clients/holdings to act on these issues. This includes setting and implementing commitments to respect Indigenous peoples' rights, and the rights of local communities, in engagement with financed clients/holdings.

Policymakers:

- International agreements, frameworks, and efforts must include action on the human rights abuses that precede or accompany deforestation and conversion, and require corporates and financiers to address these issues as part of any effective approach on deforestation.



Lesson Four

Pressure must be applied to all companies - otherwise they will stay under the radar

Almost all Forest 500 companies are exposed to multiple high risk commodities through their supply chains - and have significant influence in these supply chains.



37%

of the companies assessed in 2023
have set at least one commitment
but not for all of the commodities
to which they are exposed

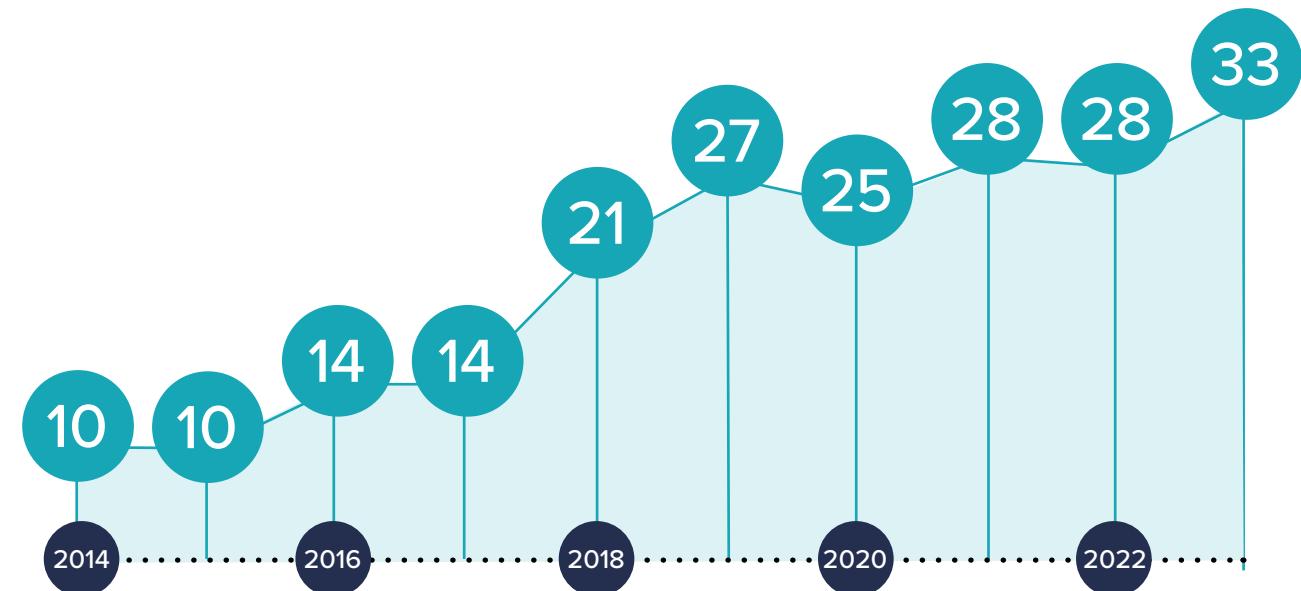
10 years of assessments have revealed that a substantial group of companies have taken the issue seriously enough to publicly set one deforestation commitment but have failed to set equal ambition across all of the highest risk commodities they're exposed to.

Nearly two-fifths (37%) of the companies assessed in 2023 have set at least one commitment but not for all of the commodities they're exposed to. To transform supply chains, we need to move this group, which includes Aldi Group (North), Carrefour, Domino's Pizza, Ferrero, Gap, New Balance, Prada, Sketchers USA, and Walmart.

Staying under the radar:

Only a third (33%) of the companies assessed in 2023 had a deforestation commitment in place for each of the highest risk commodities they're exposed to through their supply chains, compared with 10% of companies in 2014. An increase of just 23 percentage points over 10 years, especially considering the 2020 target for net-zero deforestation, is far below the rate and scale needed to end tropical deforestation, conversion, and associated human rights abuses.

Graph 4: Proportion of companies with commodity specific deforestation commitments for all highest risk commodities



Despite having a commitment for at least one commodity, a fifth (20%) of Forest 500 companies do not have a publicly available deforestation commitment for all of the commodities that they have the greatest influence over (their powerbroker commodities). For example Inditex, the biggest fashion group in the world and owner of brands including Zara, Bershka and Pull & Bear, has a deforestation commitment for timber (a commodity which it has some exposure to through its supply

chains), but does not have a publicly available deforestation commitment for leather, one of the key commodities it has the greatest exposure to and influence over. Other companies in this group include Olam International, a globally leading agribusiness that does not have a commitment for soy, and multinational food processing company Archer Daniels Midland (ADM), which does not have a commitment for pulp and paper.

Not a single piece of evidence

Nine Forest 500 companies are failing to publish any evidence that they're implementing at least one of their deforestation commitments through their supply chains. This includes Kikkoman Corporation, the world's leading manufacturer of soy sauce, Le Gouessant, one of the biggest French animal feed companies, and oil and gas giant Shell. In 2023, these companies had published at least one deforestation commitment but had not publicly reported a single piece of evidence that they were implementing their commitment in line with best practice for that commodity. Some of these powerbrokers have only been included in the Forest 500 due to their exposure to this commodity and their influence over it. They cannot continue to hide from public scrutiny on these commodities.

No evidence of implementation

This includes not reporting on proportions of compliant volumes, not reporting supplier lists/sourcing regions and not reporting on the processes they have in place to begin to implement these commitments effectively. As a result, it's impossible to tell whether these companies have made progress towards their commitments for these commodities.

“These companies had published at least one deforestation commitment but had not publicly reported a single piece of evidence that they were implementing their commitment”



Company name	Description of company	Commodity with a commitment but no evidence of implementation	Are they a powerbroker for this commodity?	When the commitment was first captured in Forest 500 assessments
Danish Agro	A cooperative of Danish agribusinesses active across 16 countries and cooperatively owned by 9,000 Danish farmers. The company operates in the purchase and sale of feedstuff, ingredients and vitamin mixes, fertiliser, crop protection and energy. Danish Agro is selected as a powerbroker for palm oil, soy and paper packaging.	Soy	Yes	2023
Meiji Holdings Co. Ltd.	A Japanese holding company with subsidiaries that manufacture dairy products, confectionary items, health food and pharmaceuticals. The company's diverse operations leave it exposed to a number of forest risk commodities including palm oil, soy and beef. Meiji Holdings Co. Ltd. is selected as a powerbroker for palm oil, soy and paper packaging.	Soy	Yes	2023
Hamlet Protein	A Danish animal feed manufacturer specialising in the production of soy based protein products. Hamlet Protein is selected as a powerbroker for soy and paper packaging.	Soy	Yes	2018
Imcopa Food Ingredients	Produces and exports soybean products in Brazil. Imcopa Food Ingredients is selected as a powerbroker for soy and paper packaging.	Soy	Yes	2018
Le Gouessant	An agricultural cooperative in France, it has its core business in animal feed, with soy being a key component of animal feed. Le Gouessant is selected as a powerbroker for soy and paper packaging.	Soy	Yes	2022
Shell Plc.	A group of energy and petrochemical companies operating globally. Segments of the business include the development of biofuels, using palm and soy products as a base. Shell Plc. is selected as a powerbroker for palm oil and soy.	Soy	Yes	2018

Continued on next page ▶

Company name	Description of company	Commodity with a commitment but no evidence of implementation	Are they a powerbroker for this commodity?	When the commitment was first captured in Forest 500 assessments
NordSud Timber	<p>A private limited, Portuguese-owned company registered in Liechtenstein. It owns four major forestry companies in Democratic Republic of the Congo (DRC): Sodefor (Société de Développement Forestier), Société Forestière et des Matières Ligneuses Africaines (Soforma), Compagnie Forestière de Transformation (CFT) and Société Forestière et Agricole de la M'Bola (Forabola). Sodefor, is one of the largest companies operating in the forestry sector in West Africa. NordSud Timber is selected as a powerbroker for timber.</p>	Pulp & Paper; Timber	Yes	2019
Yihua Group	<p>A multi-national conglomerate with operations in real estate, healthcare and furniture manufacture. Yihua's subsidiary, HTL, is a manufacturer and distributor of sofas and leather upholstery with a presence in 52 countries worldwide. The company's supply chain operations span leather tanning, to manufacture and delivery. It is an important leather processor and manufacturer worldwide, whilst also having an important operational presence in China and Hong Kong. Yihua Group is selected as a powerbroker for leather, timber and paper packaging and is also assessed for its exposure to timber.</p>	Pulp & Paper; Timber	Yes	2022 (paper) 2018 (timber)
Kikkoman Corp.	<p>One of the world's largest manufacturers of soy sauces, seasonings, beverages, wines and other food products. It has numerous subsidiaries including Del Monte and JFC International, through which Kikkoman is exposed to other forest risk commodities including palm oil. Kikkoman Corp. is selected as a powerbroker for soy, beef and paper packaging and is also assessed for its exposure to palm oil.</p>	Pulp & Paper	Yes	2020

What needs to happen now?

Companies with insufficient commodity coverage:

- Set commitments for all highest risk commodities exposed to through supply chains. These should be aligned with Accountability Framework initiative (AFi) guidance.

Companies with no evidence of implementation publicly available:

- Those doing work to implement commitments should publish it on their website. This includes disclosing the proportion of volumes that are free from deforestation and conversion.
- Start implementing the commitments and put processes in place to monitor implementation. AFi has plenty of guidance to support this.

Financial institutions financing these companies:

- Use the range of guidance and tools available. Platforms like Forest IQ allow financial institutions to identify, at scale, the worst performers and apply pressure on these companies.



Lesson Five

**Commitments
are never enough**
- even leaders need to
improve implementation

Commitments are not worth the paper they are written on unless they are acted on. In the latest assessment, nearly two-thirds (63%) of companies that have set commitments have not shown adequate evidence of implementing them, including Adidas, Starbucks and Gap. Just 6% of the companies with a deforestation commitment showed adequate evidence of implementation for all highest risk commodities.



63%

of companies that have
set commitments have not
shown adequate evidence
of implementing them

What do we mean by 'adequate implementation'?

Commitments are meaningless without effective implementation. Effective implementation includes having a comprehensive approach to **monitor suppliers and sourcing regions** for compliance with the deforestation commitment. This is reflected in indicators 5.22 and 5.24 of the Forest 500 methodology. For traders, manufacturers and retailers to be aligned with best practice, they need to monitor both their direct and indirect suppliers and assess the severity of any non-compliance. For producers and processors, this monitoring approach should be done using a third-party verification system.

For companies with suppliers it is critical that non-compliant **suppliers are engaged** to be brought into compliance with the deforestation-free standards. To best drive change, as reflected in indicator 5.26, this can be done through engaging

suppliers with a time-bound threat of exclusion from the supply chain. Alternatively, companies could suspend suppliers and bring them into compliance through engagement activities, before reintroducing them to the supply chain.

It is critical that implementation is publicly evidenced. One of the key ways companies can do this in alignment with best practice is through **reporting the proportion of their volumes** of their commodity sourcing that are compliant with deforestation- and conversion- (DCF) standards. This is captured in indicator 5.1. The **AFI** provides extensive guidance on how companies can implement their commitments effectively through their supply chains. To be considered as having reported 'adequate evidence of implementation', companies must have publicly reported evidence of all the above.



Implementation spotlight

IKEA is exposed to all six of the highest risk commodities covered by Forest 500 and has a zero-gross deforestation commitment across all of these commodities. Those that it has the greatest influence over are timber, leather and pulp and paper. Despite publishing adequate evidence of implementation for timber, pulp and paper and leather are lagging behind.

IKEA publishes adequate evidence of implementation on timber because it has public processes in place to monitor both its suppliers and its suppliers' production or processing operations for timber products.

Encouragingly, IKEA commits to engaging suppliers with a time-bound threat of exclusion should they not become compliant. It also reports the proportion of its timber volumes which are deforestation- or conversion-free as between 80 and 99%, using the Forest Stewardship Council (FSC) certification.

However, it shows a weaker implementation approach for pulp and paper, only publicly committing to monitor its suppliers for compliance. Leather is weaker yet. IKEA does not even have a publicly available process in place to monitor suppliers for compliance with their deforestation commitment. Effective implementation hinges on carefully monitoring suppliers and committing to time-bound threats. The compliant volumes for pulp and paper and leather are not publicly reported at all. Without this crucial information, it is challenging to know what progress IKEA is making towards these commitments.

IKEA			
2023 Total Score	33%		
2023 Implementation and reporting score	22%		
Implementation and reporting score of commodity-specific deforestation commitments	Timber	Leather	Pulp and Paper
34%	16%	19%	
Does the company have a commodity-specific commitment to eliminate deforestation and/or conversion of natural ecosystems from its supply chain?	Zero-gross deforestation (Source)	Zero-gross deforestation (Source)	Zero-gross deforestation (Source)
Does the company monitor compliance of production or primary processing operations that it owns, manages, or otherwise controls and/or directly or indirectly compliance of its supply chain with its commitments on deforestation and conversion?	Yes, for its suppliers; Also for its suppliers' production or primary processing operations in its supply chains (Source)	No	Yes, for its suppliers (Source)
Does the company engage non-compliant supplier operations and suppliers in order to address and remedy non-compliance?	Engage with suppliers with a time-bound threat of exclusion (Source)	No engagement or exclusion	Engage with suppliers with a time-bound threat of exclusion (Source)
Does the company report the proportion of the total commodity volume produced, sourced, or used in the past year that is demonstrated to be deforestation and/or conversion free?	Yes, deforestation and/or conversion-free volume is 80-99% (Source)	No disclosure	No disclosure
Find out more at forest500.org .			

Louis Dreyfus is one of the world's largest agri-commodity traders and is a Forest 500 powerbroker for palm oil and soy. It has a publicly available zero-conversion commitment for both of these commodities and has published some evidence of implementation and reporting. However, it is not reporting adequate evidence of implementation for soy.

For palm oil, Louis Dreyfus has a publicly available process to monitor its suppliers and its production or primary processing operations that it owns/controls for compliance with its conversion-free commitment. However, for soy, it does not have a publicly available process for production or processing operations that it owns/controls. Without this, it is challenging to ascertain whether Louis Dreyfus is successfully monitoring its soy volumes for compliance with zero-conversion standards.

For reporting progress towards implementation, Louis Dreyfus has published that less than 50% of its palm oil volumes are compliant with leading standards. However, it is unclear what proportion of its soy volumes are DCF compliant. To be reporting information around soy volumes is a step in the right direction, even if they are not fully compliant with DCF standards. However, without transparent reporting of the proportion of forest-risk commodity volumes that are DCF compliant, it is unclear how much progress Louis Dreyfus is making to address deforestation and conversion risk in its soy supply chains.

Louis Dreyfus		
2023 Total Score		49%
2023 Implementation and reporting score		43%
Implementation and reporting score of commodity-specific deforestation commitments	Palm oil	Soy
	58%	27%
Does the company have a commodity-specific commitment to eliminate deforestation and/or conversion of natural ecosystems from its supply chain?	Zero-gross conversion (Source)	Zero-gross conversion (Source)
Does the company monitor compliance of production or primary processing operations that it owns, manages, or otherwise controls and/or directly or indirectly compliance of its supply chain with its commitments on deforestation and conversion?	Yes, using a third-party verification system (Source)	No
Does the company engage non-compliant supplier operations and suppliers in order to address and remedy non-compliance?	Engage with suppliers with a time-bound threat of exclusion (Source)	No engagement or exclusion
Does the company monitor, directly or indirectly, compliance of its supply chain with its commitments on deforestation and conversion?	Yes, for its suppliers (Source)	Yes, for its suppliers (Source)
Does the company engage non-compliant supplier operations and suppliers in order to address and remedy non-compliance?	Engage with suppliers with a time-bound threat of exclusion (Source)	Engage with suppliers but with no time-bound threat of exclusion (Source)
Does the company report the proportion of the total commodity volume produced, sourced, or used in the past year that is demonstrated to be deforestation and/or conversion free?	Yes, deforestation and/or conversion-free volume is 1-49% (Source)	Unclear proportion of DCF compliant commodity volume disclosed (Source)
Find out more at forest500.org .		

Monitoring

Supplier compliance

Since 2018, companies have been assessed on whether they are monitoring their suppliers for compliance with their commitments. Just 51% of companies were doing this in 2018 for at least one commodity, and 40% for all commodities. Over the past six years, there has been an increase of just 19 percentage points of companies doing this for at least one commodity, and 20 percentage points for companies that have this in place for all of their commodities.

Of the 70% of Forest 500 companies with at least one deforestation commitment in 2023, just 62% had a monitoring approach in line with best practice for at least one commodity, and just 23% for all highest risk commodities.

For producers and processors this best practice is using a third-party verification system to monitor compliance. For traders, manufacturers and retailers, this includes monitoring suppliers' operations and sourcing regions and assessing the severity of any non-compliance identified.

Volumes

Just 30% of companies that have a deforestation commitment for at least one commodity are reporting that at least 50% of their commodity volumes are compliant with deforestation/conversion-free standards.

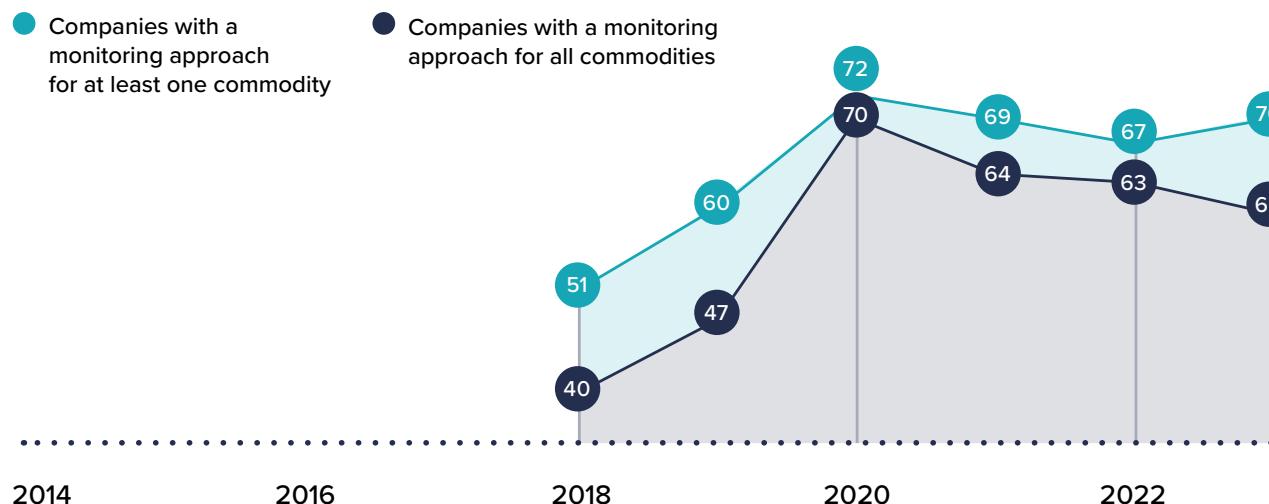
Some of the world's biggest brands, including Adidas and Nike, still aren't doing this. Other companies that aren't reporting in line with best practice include Marfrig, the second largest Brazilian food processing company and Ebro Foods, the world's largest producer of rice. Without transparent reporting on this progress, it is not possible to tell whether these companies are implementing their commitments.

Just 5% of companies with deforestation commitments are doing this for all commodities they're exposed to, including the largest paper company in the world, International Paper, and the largest soybean producer in the world, Amaggi.

Despite strong progress from these huge companies, too little is being done overall to implement commitments effectively.

“It is not possible to tell whether these companies are implementing their commitments”

Graph 5: Are companies monitoring the implementation of their deforestation commitments?



Implementation for the EUDR

If companies want to access the EU market they will need to be compliant with the EU Deforestation Regulation (EUDR). This includes undertaking required due diligence when placing relevant products on the EU market, or in providing buyers (e.g. traders, manufacturers, and retailers who are operating in/trading within the EU) assurance and relevant information for due diligence that they are also compliant.

When looking at implementation in the context of the incoming EUDR, based on their publicly available reporting currently only 1% of Forest 500 companies are likely on track to be compliant with incoming legislation. These four companies are: PT Rajawali, LVMH, Sipef and Kering.

These companies have publicly available deforestation commitments for all of the highest risk commodities they're exposed to through their supply chains, a monitoring approach for suppliers/sourcing regions as applicable for all commodities, and report the area of deforestation in their supply chains/sourcing regions since a specific reference date. The companies that are likely off track to be compliant with the EUDR include Toyota Group, J Sainsbury's and Procter & Gamble.

Our data reveals that the vast majority of companies are publicly setting commitments to address

deforestation in their supply chains - which is often enough to avoid intense scrutiny from investors, customers, and campaigners - but failing to publish sufficient evidence of their implementation.

What needs to happen now?

Companies with ineffective implementation:

- Those taking action to implement their deforestation commitments but not yet reporting this information should publish evidence of this implementation on their websites.
- Those not compliant with best practice monitoring and engagement approaches should align with the best practice provided by the AFi.
 - By engaging non-compliant suppliers, companies can drive positive change through their supply chains, ensuring greater volumes of global forest-risk commodities are produced without contributing to deforestation, conversion, and associated human rights abuses.

Policymakers:

- Require companies to publicly disclose evidence of the implementation of their commitments, including the proportion of their commodities that are compliant with deforestation and conversion-free DCF standards.

Financial institutions financing these companies:

- Use their leverage to encourage the companies they're financing to implement their commitments in line with best practice. This includes monitoring suppliers and sourcing regions for compliance, engaging non-compliant suppliers effectively, and publicly evidencing their implementation.
- Consider disclosing engagement outcomes, including where repeated engagement has not resulted in progress by companies.

Lesson Six

**Transparent reporting
remains essential - even
alongside regulation**

To make the rapid progress that's
urgently needed to end tropical
deforestation, leaders need to set best
practice for reporting transparently.



Greater transparency raises the expectation for all, bringing the market along with best practice. It also enables greater collaboration, progress and - importantly - accountability.

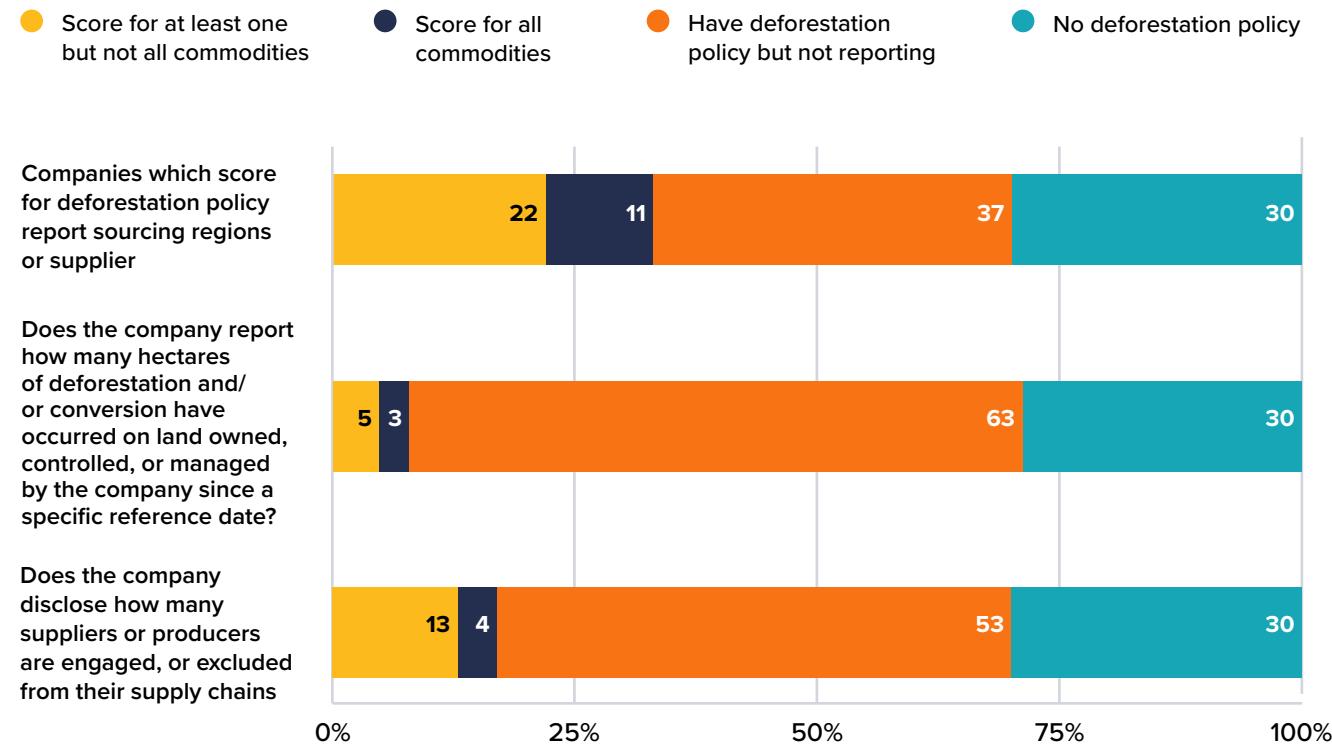
A decade of assessments has shown that even among the leaders, a lack of transparency is holding back progress. Just 3% of companies are publicly reporting how much deforestation (if any) has occurred in their supply chains since a reference date for all highest risk commodities.

As best practice for companies has evolved over the past 10 years, the vast majority have failed to keep up with the increasing need for transparency. This is even true of those that have deforestation policies in place for all of the highest-risk commodities they are exposed to through their supply chains.

This may be as a result of [greenwashing](#), to avoid being singled out and increased scrutiny on policies and processes, as regulatory, reputational, and competition risks mount for companies linked to deforestation risks and impacts. But this practice will hinder progress on deforestation, conversion, and associated human rights abuse risks - lowering expectations from policymakers, other corporates, and investors.

Crucially, greenwashing will also reduce opportunities to collaborate across supply chains, including supplier engagement, jurisdictional

Graph 6: Proportion companies reporting on implementation (%)



approaches, and knowledge-sharing around effective implementation.

22% of companies with a deforestation policy are reporting their suppliers and/or sourcing regions for at least one commodity, while only 11% are reporting it for all commodities. This means 67% of companies aren't reporting this information at all.

When looking at publicly disclosed evidence of commitment implementation, companies are assessed on whether they report the number of sourcing regions that were identified as being non-compliant or if suppliers that were found to be non-compliant with their deforestation commitment were engaged to bring them into compliance. In 2023, just 13% of companies did this for at least ▶

one of the commodities they are exposed to. Just 4% did this for all commodities.

Just 3% of companies that have deforestation policies in place for all commodities report how many hectares of deforestation, including none, have occurred in their supply chains or production regions since a reference date for all of the highest risk commodities they're exposed to.

Incoming legislation may well bring greater transparency to forest-risk commodity supply chains, by requiring companies to conduct due diligence and to demonstrate that their products are deforestation free. To date, there is no requirement that this crucial information will be required to be reported publicly.

Transparency is crucial for holding companies and financial institutions accountable for their exposure to, and action on, deforestation risks and impacts, as well as to raise the bar for corporate action. Greater transparency and public disclosure is also crucial for driving change across commodity supply chains.

What needs to happen now?

Leaders:

- Transparently disclose evidence of work being undertaken to implement commitments throughout supply chains and sourcing regions.
- Publicly disclose information about suppliers and sourcing regions, and outcomes of monitoring, to enable other companies to use this information to improve their own supply chains.

Policymakers:

- Companies should be required to publicly disclose evidence of their due diligence processes.
- Both the EUDR and UK legislation should mandate companies to publicly disclose this information on their website to improve collaboration between companies, and better enable them to be held accountable for their progress - or lack thereof.

- The incoming UK legislation should ensure that companies are required to publicly report this evidence in a standardised format, ensuring that the resulting data and information can be used systematically to inform financing and supplier decisions.

Civil Society Organisations:

- Continue calling for greater transparency from companies on the implementation of their commitments in forest-risk commodity supply chains, including from leaders.

Lesson Seven

To achieve net zero, deforestation must be **recognised as central** to the climate agenda

The only way to achieve net zero is to eliminate deforestation and conversion. In recent years, net zero has entered mainstream public consciousness as well as the regulatory arena.



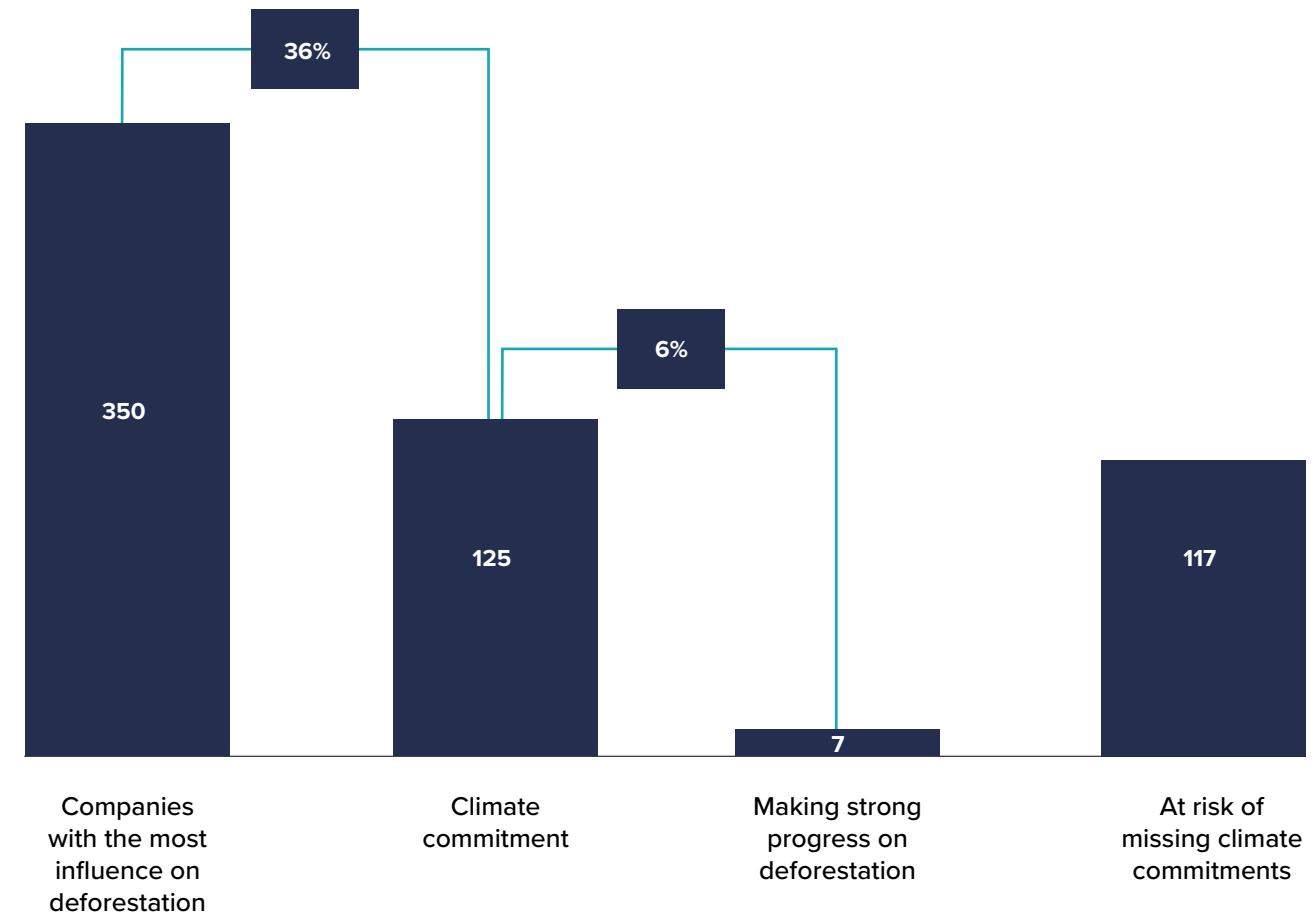
Although a third of the Forest 500 companies have set high-profile net-zero commitments across their supply chains in the past decade, 94% are currently off-track to achieve those commitments based on their action on deforestation and conversion.

These are the most influential companies for addressing tropical deforestation. To achieve their net-zero commitments, the relationship between the climate and deforestation/conversion must be further embedded.

An essential part of net zero

Deforestation contributes up to 11% of global carbon emissions. It has increasingly been recognised as an essential component of effective approaches on net zero and climate commitments. This has been through several major groups and initiatives, including: the UN High Level Expert Group on net zero, which called for commodity-driven deforestation to be eliminated from supply chains and financial portfolios by 2025; the UN's Race to Zero included action on deforestation in its leadership criteria on net zero; the Glasgow Financial Alliance for Net Zero (GFANZ) which included recommendations on deforestation in their transition guidance; and finally the Investor Climate Action Plans (ICAPs) which as of 2023 included deforestation as key criteria.

Graph 7: Proportion of Forest 500 companies off track to meet their net zero commitments based on performance on deforestation



Even among the companies in the Forest 500 that recognise that deforestation is a critical part of any net-zero commitment, there is still a long way to go in terms of making sufficient action on deforestation to achieve those commitments.

Just over a third (36%) of the 350 companies with the greatest influence on tropical deforestation have a net-zero climate commitment according to the Race to Zero, Science Based Targets Initiative (SBTi), or Net Zero Tracker. This shows that the vast majority of companies assessed in the Forest 500 are still yet to set an ambitious net-zero commitment, despite their high influence over one of the key drivers of global climate change.

Just 6% of the Forest 500 companies with a net-zero commitment are also making strong progress on deforestation, defined as a total score of 60% or above in the Forest 500 assessment. These companies are: Suzano SA, Amaggi, Nestlé S.A., Unilever PLC, Mars Inc, PepsiCo Inc, and Procter & Gamble.

6%

of the Forest 500
companies with a
net-zero commitment
are also making
strong progress
on deforestation

What needs to happen now?

Financial institutions with net-zero commitments:

- Require and engage with clients/holdings to act on deforestation and conversion in their supply chains, as part of efforts to achieve net-zero commitments.

Climate coalitions:

- Tackling deforestation must be recognised as a critical component of any company or

financial institution's approach to achieving net-zero through requiring action on deforestation, conversion, and associated human rights abuses as part of coalition memberships.

Companies with net-zero commitments:

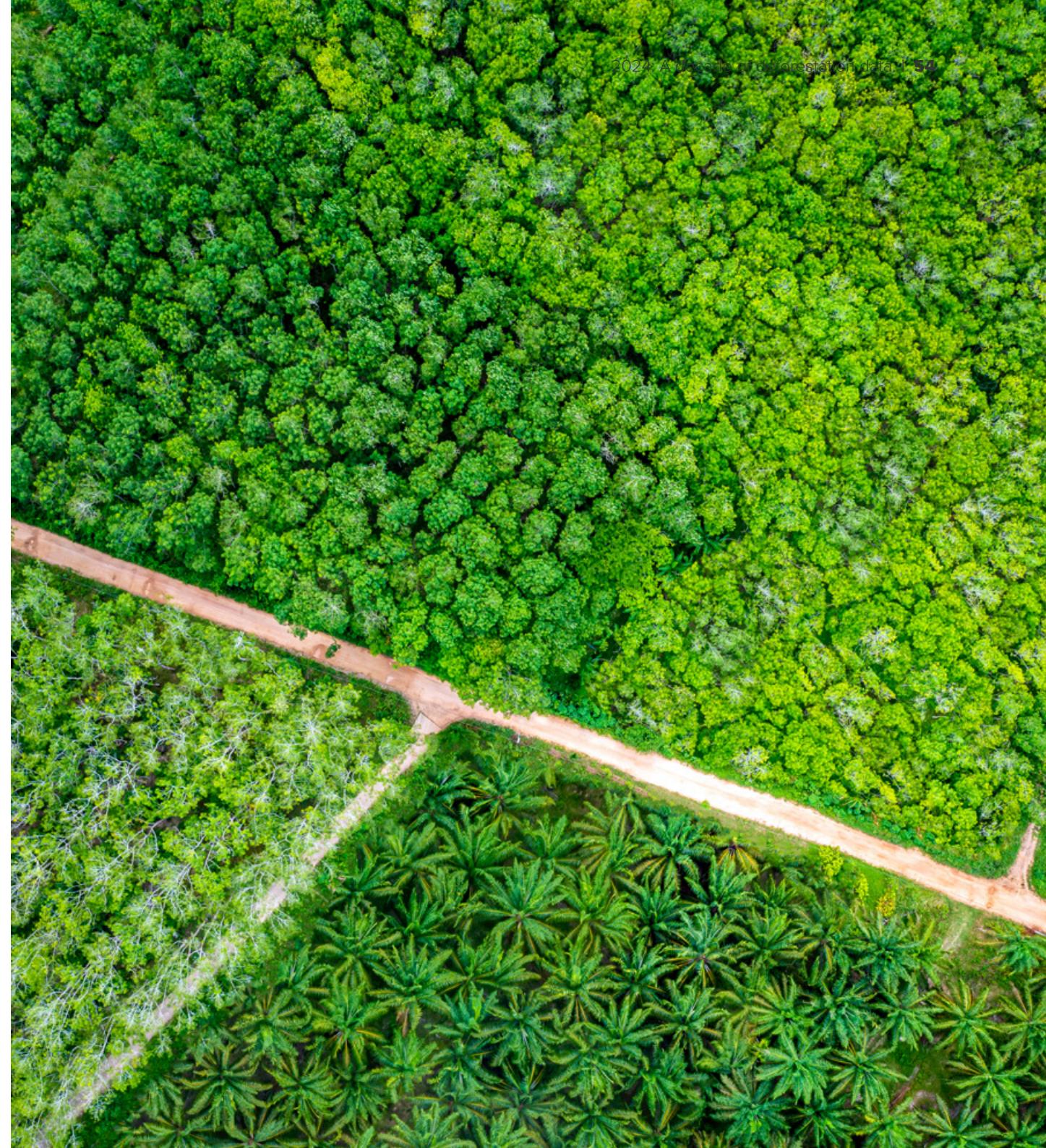
- Recognise that without effective action on deforestation, conversion and associated human rights abuses, net-zero commitments will not be achieved.



Lesson Eight

Public pressure leads to action - palm oil has seen the most progress

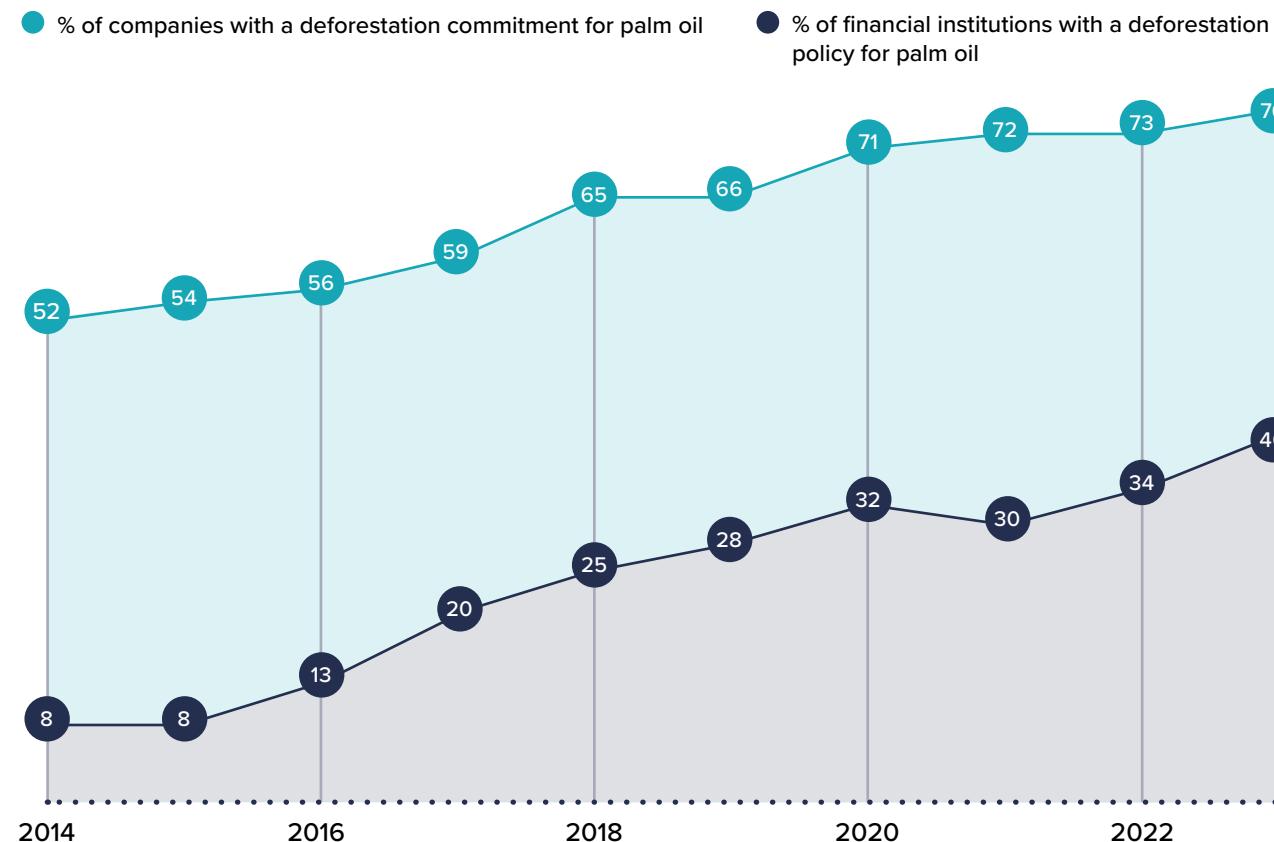
Public pressure, alongside accessible and credible certification schemes, can drive rapid progress on deforestation and conversion on the ground in supply chains.



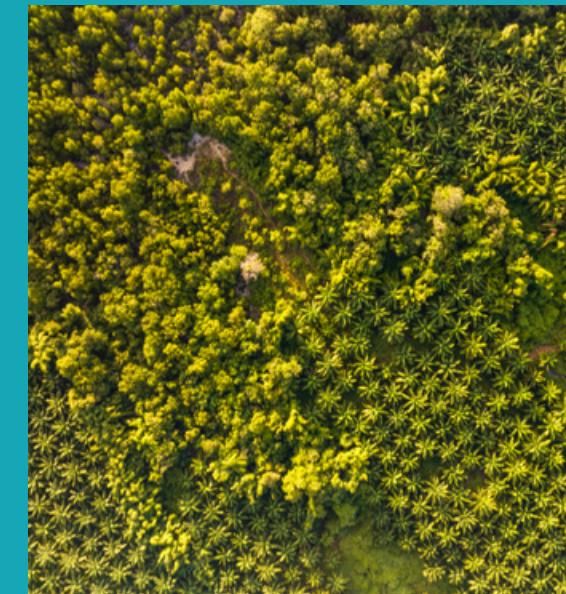
Following numerous global investigations and campaigns over the past 20 years, palm oil has long been the focus of corporate and finance sector action on deforestation. The impact of this public pressure is evidenced by 52% of companies in palm oil supply chains having a commitment in 2014, which grew to 76% in 2023.

Financial institutions have also made progress on palm oil. Just 8% had a deforestation policy in place for palm oil in 2014, compared to 40% in 2023, an increase of 32 percentage points.

Graph 8: Proportion of companies and financial institutions with a deforestation commitment in place for palm oil



Certification



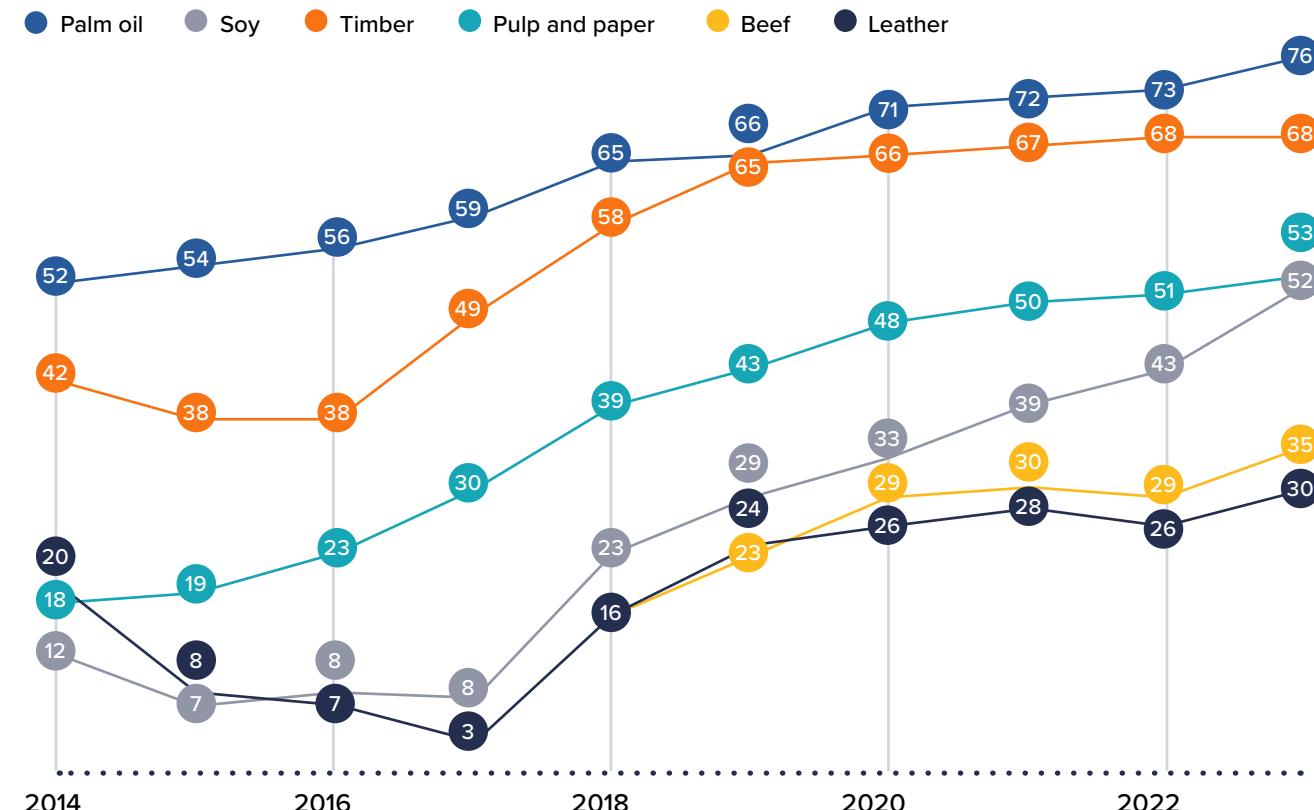
Attention from the public, campaigners, and governments has focused on palm oil for several decades. Corporate and finance sector action on this commodity has been significant, in comparison to other commodities. The RSPO (Roundtable on Sustainable Palm Oil) was created 20 years ago in 2004, 10 years before the first Forest 500 assessment. Like many certification schemes, the RSPO is not a silver bullet for companies to act on deforestation but it is an accessible tool to aid the implementation of deforestation commitments.

Deforestation linked to palm oil has fallen rapidly over the past few years. Although [new research](#) in February 2024 has revealed a recent surge in deforestation related to palm oil expansion in Indonesia, which is among the largest producers of palm oil globally, this marks a departure from progress over the previous decade.

Between 2018 and 2020, the deforestation linked to palm oil was [just 18% of its peak](#) deforestation between 2008 and 2012, showing a remarkable reduction. But even in 2014, palm oil was already significantly further ahead than other commodities.

Just 12% of companies had a soy policy in place in 2014, 20% for beef and leather³, and just 18% had one in place for pulp and paper. Although the number of companies with a publicly available policy has grown at a fast rate for other commodities, including soy and pulp and paper, which now stand at 52% and 53% respectively, for most commodities this more recent increase in policy coverage hasn't yet translated into an increase in DCF commodities.

Graph 9: Proportion of companies with commodity-specific deforestation commitments (%)



³ Beef and leather were assessed as one commodity until 2018.

The impact of certification

Palm oil has faced significant public pressure for more than 20 years and has a well-established and accessible credible certification scheme through the Roundtable on Sustainable Palm Oil (RSPO). This high level of commitment coverage has translated into higher volumes of DCF palm oil and a reduction in deforestation on the ground.

RSPO, like certification schemes for other commodities, also acts as a disclosure mechanism for companies. Companies can score for reporting the proportions of their palm oil that are DCF compliant through the RSPO platform, as well as on their websites. Certification can both enable companies to verify their compliance with DCF standards and also to publicly report their progress towards their commitments.

In 2023, 55% of the companies assessed for palm oil reported at least 50% of their palm oil volumes as being compliant with DCF standards. 22% reported 100% of their palm oil volumes were DCF compliant. In addition to this, 54% of the companies that reported at least 50% of their palm oil volumes as DCF compliant verified this reporting.

What needs to happen now?

Civil Society Organisations:

- Continue calling for action from companies, and their financiers, in forest-risk commodity supply chains. This includes placing pressure on companies with a high deforestation risk.
- Continue to make the public aware of the risks of deforestation, conversion and associated human rights abuses, and the most exposed companies. This will create a supportive environment for more ambitious action from policymakers, companies and financial institutions.

“Certification can enable companies to verify their compliance with DCF standards”



Lesson Nine

More attention must be placed on cattle, the biggest driver of deforestation

Cattle production for beef and leather is the biggest agricultural driver of deforestation globally. It is estimated to have caused [nearly half](#) (45%) of global deforestation between 2001 and 2015.

Despite its significance, 65% of the companies assessed for beef and 70% of those assessed for leather have still not set a single publicly available deforestation commitment for these commodities.

With a staggeringly disproportionate level of action on these commodities compared to their impact, greater attention must be placed on cattle products.



45%

Cattle production for beef and leather is estimated to have caused nearly half of global deforestation between 2001 and 2015.

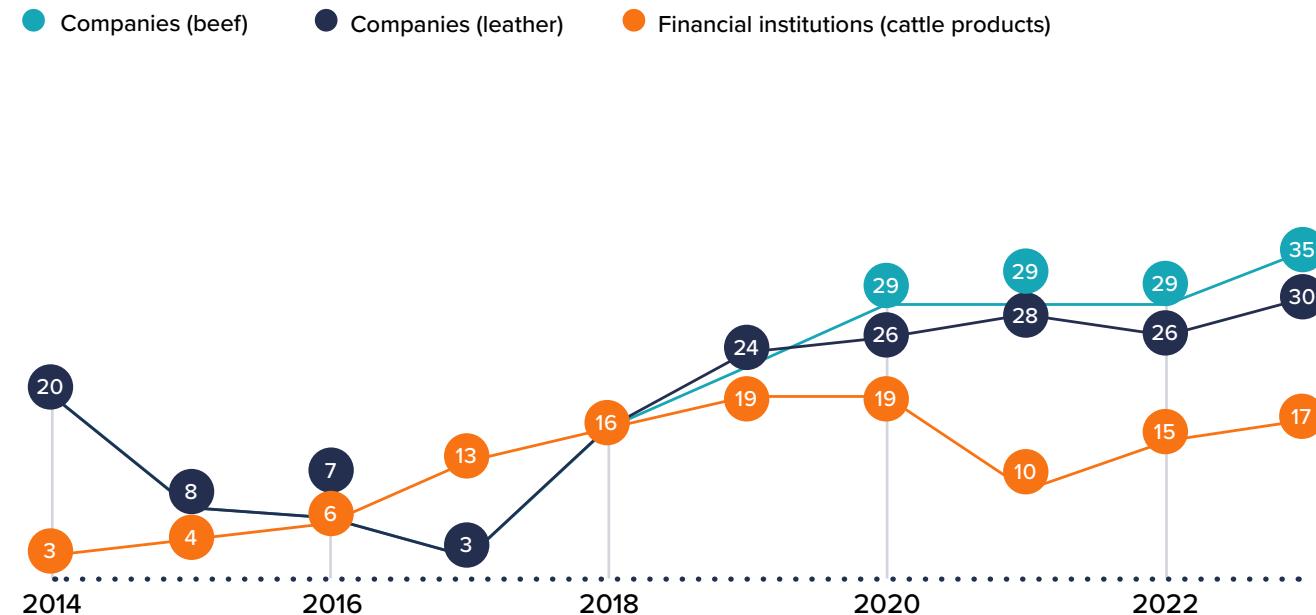
The biggest driver

Cattle ranching for both beef and leather is the biggest driver of global deforestation, including in tropical forests. Across a decade of Forest 500 assessments, it has been one of the commodities with the least action.

Other commodities like soy have had more deforestation commitments published but cattle products have not seen the same progress. This may result from challenges specific to cattle supply chains, including a lack of effective and credible certification schemes, and issues with traceability through complex supply chains.

Cattle frequently move from farm to farm before they reach the slaughterhouse. This can make it challenging to confirm the cattle was produced in compliance with DCF standards. But given the impact, these issues must urgently be overcome and the deforestation linked to cattle production halted.

Graph 9: Proportion of companies/financial institutions with a publicly available deforestation policy for cattle products (%)



Since 2014, the proportion of companies with a publicly available deforestation commitment for beef has risen by only 15 percentage points, from 20% to 35%. For leather this is just 10 percentage points, from 20% to 30%.

When looking at the finance sector, the proportion of financial institutions which have publicly available policies for cattle products (beef and leather) stands at just 17% in 2023. This marks an increase of just 14 percentage points over the past decade of assessments.

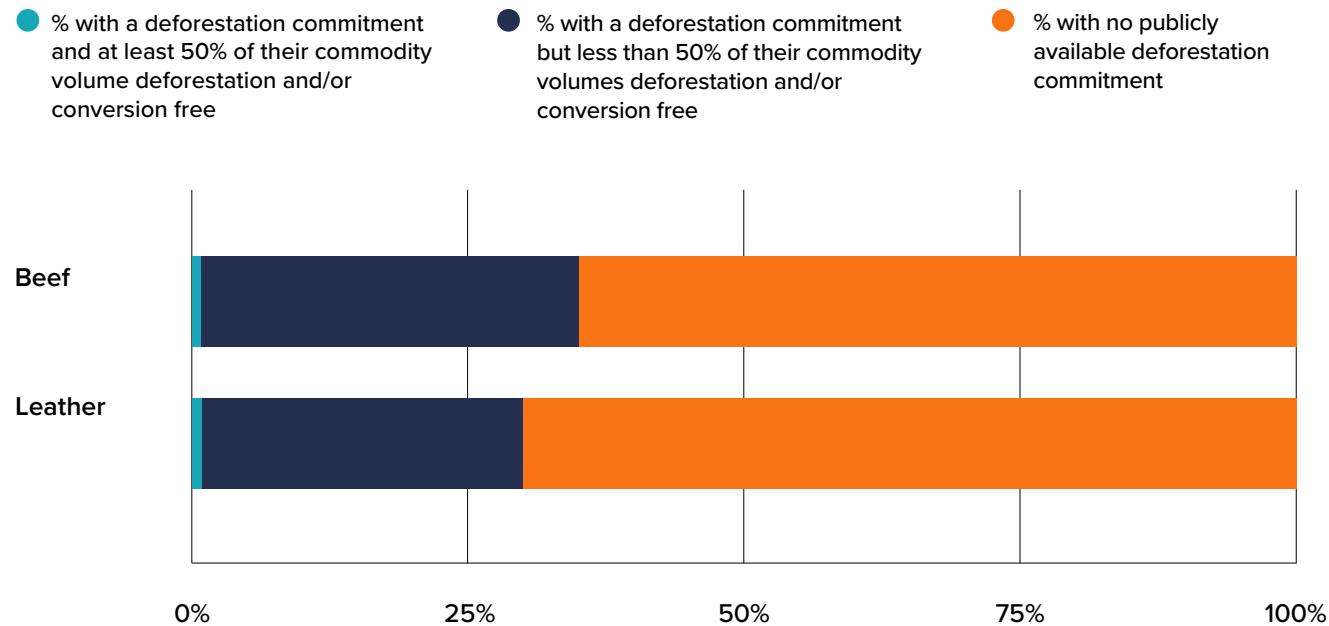
Commitments and action woefully inadequate

In addition to a staggeringly low number of commitments around cattle products, implementation on these commitments is also behind.

In 2023, both leather and beef had just one company that reported on the volumes of the commodity that were compliant with DCF standards. For leather, this one company was Kering and for beef, the one company was McDonald's.

Both of these companies reported that at least 50% of their commodity volume was deforestation- or conversion-free. While Kering and McDonald's show that action on cattle is possible, far too few companies and financial institutions are doing enough to curb the biggest driver of commodity-driven deforestation.

Graph 10: Proportion of companies assessed for beef and leather with at least 50% of their commodity sourcing deforestation or conversion free



McDonald's		Kering	
2023 Total Score	45%	2023 Total Score	59%
Commodity	Beef	Commodity	Leather
2023 commodity score	48%	2023 commodity score	56%
Commitment: "McDonald's is working to eliminate deforestation from our global supply chains by the end of 2030. We prioritized the raw materials that our suppliers buy in the greatest volume and where we can have the biggest impact: beef, chicken (including soy in feed), palm oil, coffee, and the fiber used in customer packaging. [...] One of the ways McDonald's has expanded its work beyond our initial forest commitment is to engage in efforts to halt conversion of ecosystems that host critical biodiversity, including forests, grasslands and savannahs." (Source 1)		Commitment: "By 2025, eliminate the sourcing of all materials that lead to the conversion of ecosystems with high conservation value (using scientifically-recognized reference systems), with particular attention to forested areas, grasslands, wetlands and freshwater/marine ecosystems." (Source)	
Target date for full compliance	2023	Target date for full compliance	2025
Reporting: "In 2021, 97.2% of the beef sourced for McDonald's restaurants supported deforestation-free supply chains [...] . We verify all beef sourced from deforestation priority regions (Brazil, Argentina, Paraguay and Australia) via satellite imagery to the location of the supplying farm using the best available information in that country. Data is received, analysed and assessed for compliance with McDonald's Deforestation-Free Beef Procurement Policy ("Policy"), followed by all McDonald's Direct Beef Suppliers and their raw material suppliers (slaughterhouses) in these regions." (Source)		Reporting: "For cattle products, we control, monitor and verify compliance with no conversion and no deforestation commitments through our new Biodiversity Policy published in 2020, which is focused on three goals: • stemming biodiversity loss; • restoring ecosystems and species; • sparking systemic change that goes above and beyond our supply chains. [...] 3,420 supplier audits were performed in 2021, representing 64% of our suppliers. After qualification, suppliers' continued compliance with Kering requirements is verified by follow-up audits. In 2021, 93% of leather is traceable and 68% is aligned with Kering Standards." (Source)	
Read more on the Forest 500 <u>website</u>.		Read more on the Forest 500 <u>website</u>.	

What needs to happen now?

Leaders:

- The few companies that are emerging as leaders on beef and leather commitments and their implementation also have the ability to drive change across global cattle supply chains by requiring their suppliers to be compliant across all of their operations.

Civil Society Organisations:

- Progress from emerging leaders and the best practice defined by the AFI can build momentum for conversations around mechanisms and even certification schemes. Companies in beef and leather supply chains can then better implement their commitments and verify that implementation.

Financial institutions:

- Use leverage from financing to drive forward progress from clients/holdings in portfolios. Set an ambitious policy for deforestation and conversion-free cattle products and require clients/holdings to be compliant. Engage with them to bring them into compliance.



Lesson Ten

Some financial institutions are showing that **rapid progress is possible**

Although many financial institutions are still yet to start acting on deforestation and conversion in their financial portfolios, some are beginning to show leadership on these issues. This includes through effective implementation of deforestation policies.



In 2023, seven financial institutions made notable progress on the implementation and reporting of their policies on deforestation, conversion, and associated human rights abuses through their portfolios, increasing their score for this section of the assessment by 10 percentage points or more.

This includes Ameriprise Financial, and Barclays, which increased their scores for implementation and reporting by 34 and 31 percentage points respectively. This shows that rapid progress on these issues is possible, in terms of setting and implementing processes.

“Financial institutions should have a screening and monitoring process”

What does good look like for financial institutions implementing their policies?

Policies are meaningless without implementation. Financial institutions have unique tools available to them to drive change, both in corporate supply chains and on the ground.

The Finance Sector Roadmap, which the Forest 500 financial institution assessment methodology is aligned with, provides comprehensive guidance for financial institutions on how to identify, address, and eliminate deforestation, conversion, and associated human rights abuse risks.

Some of the key ways financial institutions can implement their policies in line with best practice include requiring clients/holdings to have an organisation-wide **cut-off date** after which any deforestation or conversion that occurs will be considered non-compliant and require remediation, and **assess the clients/holdings' exposure** to deforestation, conversion, and associated human rights abuse risks at the point of onboarding/allocating finance.

Financial institutions should also have a **screening and monitoring process** to identify any high-risk or

non-compliant clients/holdings, as well as a publicly available process to **engage with clients/holdings to manage non-compliance**. This should include a time-bound threat of redirection of finance.

Another critical component of implementation for a financial institution is to **transparently report** on the number or proportion of portfolio clients/holdings to which the deforestation policy applies, the proportion that is compliant with their time-bound plans, or in compliance with the financial institution's policy, and the number of companies/clients that have been engaged with on deforestation risk.

Financial institutions can also report on the progress of clients/holdings in their portfolio towards **compliance with the associated human rights policies**. This includes the number/proportion of clients/holdings covered by the policy, the number/proportion engaged with on associated human rights abuse risks or impacts, or the number/proportion of clients/holdings that are compliant with the policy(ies).

Ameriprise Financial			
2022 Total Score	4%	2022 Reporting and implementation score	0%
2023 Total Score	34%	2023 reporting and implementation score	34%
Increase in reporting and implementation score over 12 months		34 percentage points	
Policy: "Deforestation and forest degradation are primarily linked to the production of commodities including palm oil, soy, cattle products, timber, cocoa, coffee and rubber. [...] We ask companies to commit to no conversion of natural ecosystems and/or zero deforestation, and to trace at least 90% of the total production/consumption volume of all high risk commodities down to the relevant production site or processing facility level." (Source , through subsidiary Columbia Threadneedle)			
Target date for full compliance	N/A	Does the policy apply to all financing:	No, scores through a subsidiary
Indicators where score for reporting and implementation improved the most:			
5.5 'Does the financial institution have a clear public process to identify policy non-compliant clients/holdings?'		5.7 'Does the financial institution annually report the number or proportion of portfolio clients/holdings to which the deforestation policy applies, proportion which are compliant with their time-bound plans/in compliance with the financial institution's policy, and the number of companies/clients which have been engaged on deforestation-risk?'	
2022 answer	No	2022 answer	No
2022 evidence of implementation	N/A	2022 evidence of implementation	N/A
2023 answer	Screening and monitoring process for the DCF commitment	2023 answer	Reports number/proportion/outcome of portfolio companies which have been engaged with on deforestation-risk or compliance with the policy/time-bound plans, Reporting is done for a DCF policy

2023 evidence of implementation	"To ensure companies held in the Responsible strategies continue to meet our criteria, we conduct ongoing monitoring of all held companies. Furthermore, each quarter we review: whether companies continue to meet the criteria; any involvement in recent controversies that might indicate poor ESG practices; and any merger and acquisition activity that might change our ratings. Furthermore, held companies are monitored quarterly for new or ongoing UN Global Compact breaches. All breaches are assessed by the Responsible Investment team. If a breach is assessed as genuine and severe, the company is re-rated as "Unacceptable". If a breach is not assessed as genuine and severe, the company is engaged by the Responsible Investment team in order to further evaluate and improve the management of the underlying issue(s). Failure to respond to engagement would result in a company being re-rated as "Unacceptable"." (Source)	2023 evidence of implementation	"During this period, we undertook for example 293 engagement activities related to deforestation themes. An important element of a robust climate change strategy is a well-anchored climate risk management system including a thorough approach (analysis, engagement) to deforestation." (Source)
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Read more on the Forest 500 [website](#).

Barclays			
2022 Total Score	28%	2022 reporting and implementation score	21%
2023 Total Score	43%	2023 reporting and implementation score	52%
Increase in reporting and Implementation score over 12 months		31 percentage points, with most progress on Cattle Products	
Policy: "We expect beef companies to: I. Commit to achieving a Conversion-Free South American beef supply chain (direct and indirect) by December 2025 in areas at High Risk of Deforestation and Conversion, which include the Amazon, Cerrado and Chaco Biomes and we will encourage clients to do so during annual client due diligence." (Source)			
Target date for full compliance	2025	Does the policy apply to all financing:	No, only to 'a South American beef supply chain'
Indicators where score for reporting and implementation improved the most:			
5.5 'Does the financial institution have a clear public process to identify policy non-compliant clients/holdings?'		5.6 'Does the financial institution have a clear public process to engage with clients/holdings to manage non-compliance?'	
2022 answer	No	2022 answer	No
2022 evidence of implementation	N/A	2022 evidence of implementation	N/A
2023 answer	Screening and monitoring process for the DCF commitment	2023 answer	Engage with companies which are non-compliant with a DCF commitment, with a time-bound threat of redirection of finance

Continued on next page ►

2023 evidence of implementation	"Our standards include an enhanced due diligence approach for certain clients operating in-scope of our Forestry and Agricultural Commodities [...] All in-scope clients in these sub-sectors must be assessed annually via a detailed due diligence questionnaire, which is used to evaluate their performance on a range of environmental and social issues, and may be supplemented by a review of client policies/procedures, further client engagement and adverse media checks as appropriate [...] This annual review either generates an Environmental and Social Impact (ESI) risk rating (low, medium, high) [...] Where client relationships or transactions are assessed as higher-risk (high or medium ESI risk rating) they are then considered for escalation to the appropriate business unit review committee."	2023 evidence of implementation	"All clients deemed within the scope of this position statement are reviewed against these on a case by case basis and subject to enhanced due diligence. In cases where clients are identified as non-compliant with the mandatory requirements, Barclays will require the client to develop and implement an action plan to remediate this within a limited timeframe. Where these clients are unable or unwilling to do so we will seek to exit the relationship taking into account existing contractual arrangements. In cases where clients are identified as not meeting the non-mandatory expectations, Barclays will engage with these clients during annual client due diligence and encourage them to adhere to these. Where these clients are unable or unwilling to do so over time, we will review the relationship and may reduce our support." (Source)
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Read more on the Forest 500 [website](#).

Progress on reporting on human rights policies

Financial institutions need to make progress on the implementation of their human rights policies as part of their approach on deforestation.

In 2023, Forest 500 added an indicator (5.8) to the financial institution assessments on whether they annually report on the progress of clients/holdings/portfolio towards compliance with their associated human rights policies. All 150 financial institutions were assessed on this indicator once per high risk commodity, which collectively was worth 6% of their total score.

Schroders had the highest average score for this new indicator across all four of the highest risk commodities financial institutions are assessed for. This shows that financial institutions can take steps to not only implement their human rights policies associated with deforestation and conversion but also to be able to transparently report on that implementation.



Schroders			
Financial institutions are assessed on whether they report on the progress of their clients/holdings/portfolio towards compliance with the associated human rights policies they have in place. Financial institutions can only score for reporting progress on policies that were strong enough to score in the 2023 assessment methodology.			
2022 Total Score	52%	2022 reporting and implementation score	44%
2023 Total Score	58%	2023 reporting and implementation score	70%
Increase in reporting and implementation score over 12 months		26 percentage points	
Associated human rights abuses policies		Associated human rights abuses implementation reporting	
Indicator	Answer	Do they score for reporting progress towards this policy?	Evidence
Does the financial institution require the clients/holdings to ensure the Free, Prior and Informed Consent of Indigenous peoples and local communities prior to acquiring new interests in land or resources and prior to new developments or expansions, not proceeding with these operations unless consent has been given by the aforementioned stakeholder?	Encouraged	Yes	Schroders reports quarterly on its engagements with companies. "We undertook 313 engagements this quarter with 250 companies listed. We show here which of our Engagement Blueprint themes were addressed at each company." 9% engagement for human rights; Within their engagement blueprint they outline expectations and engagement on human rights practices. "We engage to encourage companies to uphold and respect ►
Does the financial institution have a policy that requires clients/holdings to ensure their business operations and supply chains meet key labour standards?	Clients/holdings entire supply chain - Required	Yes	

Does the financial institution have a policy that requires clients/holdings to address gender equality issues in relation to their operations and supply chains?	No	No	internationally recognised human rights, including land and resource rights, and use the mechanism of free, prior and informed consent (FPIC) to protect the rights of those in the communities in which companies operate." (Source 1 , Source 2)
Does the financial institution require the clients/holdings to respect the customary rights of Indigenous peoples to lands, resources, and territories , and refrain from land acquisition or development until any existing land conflicts have been resolved?	Encouraged	No	
Does the financial institution require the client/holding to have a zero tolerance approach to violence and threats against forest, land and human rights defenders?	No commitment	No	
Read more on the Forest 500 website .			

What needs to happen now?

Financial institutions already implementing:

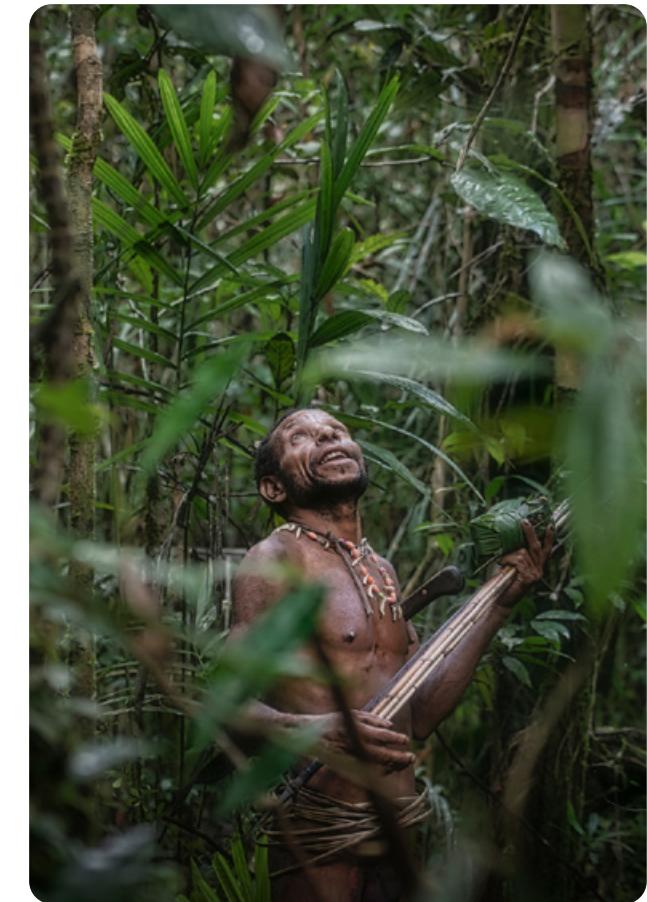
- Financial institutions that are already working to implement and transparently report on their policies should continue doing so, working to eliminate deforestation, conversion, and associated human rights abuses from their portfolios as soon as possible.

Laggards:

- Financial institutions that are yet to begin implementing deforestation, conversion, and associated human rights abuse free policies must begin to do so immediately.
- Learn from institutions that have already made progress, and use the guidance and tools to support with addressing these risks and impacts.

Policymakers:

- Recognise that financial institutions can quickly make progress towards eliminating deforestation, conversion, and associated human rights abuses, not just at the policy level but also in terms of implementation.
- Set ambitious legislation requiring financial institutions to identify, address, and eliminate these issues from their financial portfolios, and mandate them to transparently report on this implementation.



The next 10 five years

“This is the critical decade for humanity. To avoid catastrophic consequences, we need to see significant progress over the next five years”

To ensure a livable future, the world cannot endure another decade of limited progress. This is the critical decade for humanity. To avoid catastrophic consequences, we need to see significant progress over the next five years. With just a handful of years remaining to meet the target of halting and reversing all deforestation by 2030, COP30 in 2025 will be a pivotal moment. Taking place in the closest major city to the Amazon Rainforest, at the halfway point towards these global goals, the eyes of the world will be focused on deforestation. Those who have not yet woken up to acting on this issue should finally pay attention.



Forest 500 in 2025

In 2025, Global Canopy will conduct a major stocktake of the companies and financial institutions exposed to deforestation, conversion, and associated human rights abuse risks through their supply chains and financial portfolios. Between now and then, there are critical actions that companies and financial

institutions need to take to drive forward global progress on this issue, and to reduce their exposure to ever growing compliance, financial, operational, and reputational risks. This is what companies and financial institutions must do by 2025:

Companies

At the starting line	Commitment but no evidence of action	Leading the way
Get started now.	Commitments are meaningless without implementation.	<p>Even leading companies have work to do. Transparency remains an issue across forest-risk commodity supply chains, and we need to see leaders transparently reporting on their progress towards their commitments in line with best practice.</p> <ul style="list-style-type: none">• This includes: the proportion of total commodity volumes which are compliant with DCF standards; how many suppliers/production regions have been monitored and identified as non-compliant; whether effective processes are in place to implement commitments on human rights - including customary rights to land, resources and territory - and how many hectares of deforestation have occurred in the supply chain since a specific reference date - even if that is none.

Companies continued

At the starting line	Commitment but no evidence of action	Leading the way
<p>Collaborate with other companies which are further ahead. Some companies are leading the way and have knowledge and experience that can be shared.</p>	<p>Set and implement processes to monitor progress towards the commitments, including on human rights.</p> <ul style="list-style-type: none"> This includes engaging suppliers to bring them into compliance, in line with best practice. The Accountability Framework Initiative's Operational Guidance provides detailed guidance on what good looks like, including for Core Principle 6: Managing for supply chain compliance. 	<p>Continue engaging suppliers to bring them into compliance with the company's DCF standards. Use leverage through the supply chain to encourage action from suppliers, ensuring the company's commodity volumes are not contributing to deforestation, conversion or associated human rights abuses but also that suppliers are not contributing to these impacts in any other supply chains.</p> <ul style="list-style-type: none"> Smallholders should continue to be actively included in supply chains, and brought into compliance with DCF standards like any other supplier. This may involve additional support and engagement
<p>Assess your exposure to deforestation, conversion, and associated human rights abuse risks and impacts in your supply chain.</p>	<p>If you already have these processes in place, transparently report on them - publicly communicate the work you're doing towards your commitments.</p>	
<p>Set a strong deforestation commitment, with an ambitious target date to eliminate deforestation and conversion, and to address associated human rights abuses. This should cover all high risk commodities.</p>		
<p>Start engaging with your suppliers, no matter how small, and work with them to bring them into compliance with your commitment.</p>		

Financial Institutions

At the starting line	Policy but no evidence of action	Leading the way
<p>Understand the risks that come with being exposed to deforestation, conversion, and associated human rights abuse risks and impacts.</p> <ul style="list-style-type: none"> • Including reputational, financial, and regulatory risks as the compliance net rapidly closes. 	<p>Work to effectively implement your policies through your financial portfolio, using the leverage that your financing provides to require clients/holdings to act on the risks and impacts of deforestation, conversion, and associated human rights abuses in their supply chains.</p>	<p>Amplify collaborative efforts on deforestation, conversion, and associated human rights abuses, including sharing information and learnings with those earlier on in the journey to drive forward progress from the sector as a whole.</p> <ul style="list-style-type: none"> • This was successful with the incorporation of deforestation into the 2023 update to the ICAPs.
<p>Join collaborative initiatives which are ambitious on deforestation, conversion, and associated human rights abuses, where you can learn from those who are further ahead.</p>	<p>Effective engagement, with a time-bound threat of the redirection of finance, is a critical tool financial institutions can use to help move the needle on deforestation and conversion.</p> <ul style="list-style-type: none"> • This engagement should include the financial institution working with clients/holdings to bring them into compliance through setting and following-up on action plans. 	<p>Continue implementing your policies throughout your financial portfolios, using best practice engagement approaches including redirecting of finance if compliance has not been achieved by the agreed timeframe.</p>

Continues on next page ►

At the starting line	Policy but no evidence of action	Leading the way
<p>Assess your exposure to deforestation, conversion, and associated human rights abuse risks and impacts.</p> <ul style="list-style-type: none">• There is a wealth of guidance to support these due diligence processes, and case studies from financial institutions that can be learnt from.• Forest IQ is a data tool that can be used throughout many different financing processes, including due diligence and risk assessments.	<p>Report on the processes you have in place to monitor and engage your clients/holdings, including the outcomes of that monitoring and engagement.</p> <ul style="list-style-type: none">• Publicly disclosing this information will raise the bar for other financiers, but also foster increased collaboration between financial institutions.	<p>Advocate for systemic approaches like regulation that apply to the finance sector, to raise the bar for action from other financial institutions.</p> <ul style="list-style-type: none">• Including calls for public disclosure of monitoring and engagement outcomes will make it easier for leading financial institutions to address these risks and impacts in their own portfolios, driving more rapid action on deforestation, conversion, and associated human rights abuse risks.• Systemic approaches can also include requiring clients/holdings to support and participate in jurisdictional/landscape approaches, as well as providing preferential financial support to clients/holdings to do so, as part of the implementation of those commitments, in line with best practice from the AFi.
<p>Begin engaging the highest risk clients/holdings identified through the risk assessment - encouraging them to begin acting on deforestation, conversion and associated human rights abuse risks and impacts in their supply chains.</p>		
<p>Set out your commitment on deforestation with an ambitious public policy that covers deforestation, conversion, and associated human rights abuses, in line with the best practice of the <u>Finance Sector Roadmap</u>.</p>		

Company	HQ	Score	Company	HQ	Score	Company	HQ	Score
Amaggi	BRA	●●●●●○	McDonald's Corporation	USA	●●●●○○	Arla Foods Amba	DNK	●●○○○
Mars Inc.	USA	●●●●●○	Mondi Group	AUT	●●●●○○	Associated British Foods Plc.	GBR	●●○○○
Nestlé S.A.	CHE	●●●●●○	Musim Mas	SGP	●●●●○○	Association Familiale Mulliez (AFM)	FRA	●●○○○
PepsiCo Inc.	USA	●●●●●○	Neste Corp.	FIN	●●●●○○	BASF SE	GER	●●○○○
Procter & Gamble Co, The	USA	●●●●●○	Orkla Group	NOR	●●●●○○	BioMar	DNK	●●○○○
Sipef Group	BEL	●●●●●○	Permata Hijau Group	IND	●●●●○○	Campbell Soup Co.	USA	●●○○○
Suzano SA	BRA	●●●●●○	Precious Woods Holding AG	CHE	●●●●○○	Capri Holdings	USA	●●○○○
Unilever Plc.	GBR	●●●●●○	PT Astra International TBK	IND	●●●●○○	Carrefour Group	FRA	●●○○○
AAK AB	SWE	●●●●●○	PT Rajawali Corp.	IND	●●●●○○	Casino Guichard Perrachon S.A.	FRA	●●○○○
Barry Callebaut AG	CHE	●●●●○○	Reckitt Benckiser Group Plc.	GBR	●●●●○○	Charoen Pokphand Group	THA	●●○○○
Bunge Ltd.	USA	●●●●○○	Sime Darby Bhd.	MYS	●●●●○○	C & J Clark International Ltd.	GBR	●●○○○
Cargill Inc.	USA	●●●●○○	Socfin Group	LUX	●●●●○○	Clariant	CHE	●●○○○
Colgate-Palmolive Co.	USA	●●●●○○	Stora Enso	FIN	●●●●○○	COFCO	CHN	●●○○○
ConAgra Brands Inc.	USA	●●●●○○	Sumitomo Forestry	JAP	●●●●○○	Compañía Industrial Aceitera Coto Cincuenta y Cuatro S.A	CRI	●●○○○
Danone, Groupe	FRA	●●●●○○	Tesco Plc.	GBR	●●●●○○	Costco Wholesale Corporation	USA	●●○○○
Felda Global Ventures Holdings Bhd.	MYS	●●●●○○	Tetra Laval	CHE	●●●●○○	Daiwa House Group	JAP	●●○○○
Genting Bhd.	MYS	●●●●○○	The Clorox Company	USA	●●●●○○	Danzer Group	AUT	●●○○○
Grupo Ligna	BRA	●●●●○○	Triputra Group	IND	●●●●○○	DLG Denmark	DNK	●●○○○
Harita Group	IND	●●●●○○	Upfield Holdings BV	NLD	●●●●○○	Eight Capital Inc.	SGP	●●○○○
Hershey Co.	USA	●●●●○○	UPM	FIN	●●●●○○	Essity	SWE	●●○○○
IOI Corporation Bhd.	MYS	●●●●○○	Viterra	NLD	●●●●○○	Ferrero Group	ITA	●●○○○
J Sainsbury's Plc.	GBR	●●●●○○	Yum! Brands Inc.	USA	●●●●○○	Frigorifico Concepcion S.A.	PRY	●●○○○
Kao Corp.	JAP	●●●●○○	Adidas Group	GER	●●○○○○	General Mills Inc.	USA	●●○○○
Kering S.A.	FRA	●●●●○○	Adient	USA	●●○○○○	GlaxoSmithKline Plc.	GBR	●●○○○
Kraft Heinz Co.	USA	●●●●○○	Aditya Birla Group	IND	●●○○○○	Groupe Avril	FRA	●●○○○
L'Oréal Groupe	FRA	●●●●○○	Ahold Delhaize	NLD	●●○○○○	Groupe Lactalis	FRA	●●○○○
Louis Dreyfus Company	NLD	●●●●○○	Ajinomoto Co Inc.	JAP	●●○○○○	Grupo Bimbo SAB de CV	MEX	●●○○○
LMVH Moet Hennessy Louis Vuitton S.A.	FRA	●●●●○○	Aldi group (North)	GER	●●○○○○	Grupo SLC	BRA	●●○○○
Marfrig Global Foods	BRA	●●●●○○	Angelini Group	CHL	●●○○○○	Hayel Saeed Anam Group	ARE	●●○○○
Matte Croup	CHL	●●●●○○	Archer Daniels Midland Co.	USA	●●○○○○			

Company	HQ	Score	Company	HQ	Score	Company	HQ	Score
Hengan International	CHN	●●○○○	Oji Holdings Corp	JAP	●●○○○	Adecoagro S.A.	LUX	●○○○○
Henkel AG & Co	DEU	●●○○○	Olam International	SGP	●●○○○	AEON Co. Ltd.	JAP	●○○○○
H & M Hennes & Mauritz AB	SEW	●●○○○	Perkebunan Nusantara	IND	●●○○○	AFA (Agric. Federados Arg.)	ARG	●○○○○
Hofer KG dba Aldi South Group	DEU	●●○○○	Perum Perhutani	IND	●●○○○	Agrifirm	NLD	●○○○○
IKEA	NLD	●●○○○	Prada SpA	ITA	●●○○○	Alicorp	PER	●○○○○
International Flavors & Fragrances, Inc (IFF)	USA	●●○○○	RELX Group	GBR	●●○○○	Allanasons Pvt Ltd.	IND	●○○○○
International Paper	USA	●●○○○	Restaurant Brands International Inc.	CAN	●●○○○	Amazon.com	USA	●○○○○
JBS	BRA	●●○○○	REWE Group	DEU	●●○○○	Ameropa Ltd.	CHE	●○○○○
JM Smucker	USA	●●○○○	Royal Golden Eagle	SGP	●●○○○	AmorePacific Corp	KOR	●○○○○
Johnson & Johnson	USA	●●○○○	Saint Gobain S.A.	FRA	●●○○○	Arcor SAIC	ARG	●○○○○
Kellogg Co.	USA	●●○○○	Salim Group	IND	●●○○○	Arre Beef S.A.	ARG	●○○○○
Kencana Agri Ltd.	SGP	●●○○○	Sampoerna Agri Resources Pte. Ltd	SGP	●●○○○	Asics Corp.	JAP	●○○○○
Kimberly-Clark Group	USA	●●○○○	Schwarz Group	DEU	●●○○○	Beidahuang Group	CHN	●○○○○
Kingfisher	GBR	●●○○○	SC Johnson & Son Inc.	USA	●●○○○	Bertelsmann SE & Co. KGaA	GER	●○○○○
Koninklijke DSM N.V.	NLD	●●○○○	Shiseido Co. Ltd.	JAP	●●○○○	Bestseller A/S	DNK	●○○○○
Koninklijke FrieslandCampina N.V.	NLD	●●○○○	Sinar Mas Group Co. Ltd.	IND	●●○○○	Bio-Pappel	MEX	●○○○○
Korindo Group PT	IND	●●○○○	Sodrugestvo Group S.A	LUX	●●○○○	Blondeau Group	FRA	●○○○○
Kuala Lumpur Kepong Bhd.	MYS	●●○○○	Starbucks Corp.	USA	●●○○○	Boparan Holdings	GBR	●○○○○
Lear Corp.	USA	●●○○○	Tapestry	USA	●●○○○	BRF Brasil Foods S.A.	BRA	●○○○○
Lindt & Sprungli AG	CHE	●●○○○	Target Corp	USA	●●○○○	Bricapar S.A.	PYR	●○○○○
Maxingvest AG	DEU	●●○○○	The Kroger Co.	USA	●●○○○	Calbee Inc.	JAP	●○○○○
Metro AG	DEU	●●○○○	Tyson Foods Inc.	USA	●●○○○	Caramuru Alimentos	BRA	●○○○○
Mewah International Inc.	SGP	●●○○○	Unicharm Corporation	JAP	●●○○○	Cencoprod Ltda	PRY	●○○○○
Minerva S.A.	BRA	●●○○○	Unigra	ITA	●●○○○	Cencosud	CHL	●○○○○
Mitsui & Co. Ltd.	JAP	●●○○○	VF Corp.	USA	●●○○○	China Resources Company Ltd.	HKG	●○○○○
Mondelez International Inc.	USA	●●○○○	Walmart Inc.	USA	●●○○○	C.I.V. Superunie B.A.	NLD	●○○○○
Natura&Co	BRA	●●○○○	Wilmar International Ltd	SGP	●●○○○	CJ Cheiljedang Corporation	KOR	●○○○○
New Balance Athletic Shoe Inc.	USA	●●○○○	WM Morrison Supermarkets Plc.	GBR	●●○○○	CK Hutchison Holdings	HKG	●○○○○
Nippon Paper Industries Co. Ltd.	JAP	●●○○○	Yakult Honsha Co. Ltd.	JAP	●●○○○	Coamo Agroindustrial Coop.	BRA	●○○○○
Oetker-Gruppe	DEU	●●○○○	Aceitera General Deheza SA	ARG	●○○○○			

Company	HQ	Score	Company	HQ	Score	Company	HQ	Score
Corpovex - Corporacion Venezolana De Com. Exterior	VEN	●○○○○	Groupe Savencia S.A.	FRA	●○○○○	MRV Engenharia e Participacoes S.A.	BRA	●○○○○
Coty Inc.	USA	●○○○○	Grupo Nueva	CHL	●○○○○	Natuzzi	ITA	●○○○○
Cresud S.A.	ARG	●○○○○	Grupo Pilar S A	ARG	●○○○○	Nike Inc.	USA	●○○○○
Cyrela Brazil Realty	BRA	●○○○○	Grupo Viz	MEX	●○○○○	Nine Dragons Paper Holdings	HKG	●○○○○
Dai Nippon Printing	JAP	●○○○○	Gruppo Mastrotto Spa	ITA	●○○○○	Nisshin OilliO Group Ltd.	JAP	●○○○○
Daio Paper Corporation	JAP	●○○○○	Gruppo Veronesi	ITA	●○○○○	Nitori Holdings Co. Ltd.	JAP	●○○○○
Danish Agro	DNK	●○○○○	Hain Celestial Group, Inc.	USA	●○○○○	Nomad Foods Ltd.	GBR	●○○○○
De Heus	NLD	●○○○○	Hamlet Protein	DNK	●○○○○	NordSud Timber	LIE	●○○○○
Deichmann Group	DER	●○○○○	Hormel Foods Corp.	USA	●○○○○	Patanjali Ayurved	IND	●○○○○
Dekel Agri-Vision Plc.	CIV	●○○○○	H. Schmidt Holding GmbH	AUT	●○○○○	Pentland Group	GBR	●○○○○
Dende Do Taua S/A - Dentaua	BRA	●○○○○	Htoo Group	MMR	●○○○○	Perez Companc Family Group	ARG	●○○○○
Doctor's Associates Inc.	USA	●○○○○	IFFCO	ARE	●○○○○	Pertamina Persero PT	IND	●○○○○
Domino's Pizza Inc.	USA	●○○○○	Imcopia Food Ingredients	BRA	●○○○○	PHW Group	DEU	●○○○○
Donto	ARG	●○○○○	Inditex S.A.	ESP	●○○○○	Plukon Food Group	NLD	●○○○○
Ebro Foods	ESP	●○○○○	Inner Mongolia Yili Industrial Group Co. Ltd.	CHN	●○○○○	Pou chen	TWN	●○○○○
Emami Ltd.	IND	●○○○○	Inspire Brands	USA	●○○○○	Rimbunan Hijau Group	MYS	●○○○○
FAPCEN	BRA	●○○○○	Intersnack Group GmbH & Co KG	DEU	●○○○○	Rougier SA	FRA	●○○○○
Fast Retailing	JAP	●○○○○	Japfa Ltd.	IND	●○○○○	Sadesa	ARG	●○○○○
Fleury Michon, Groupe	FRA	●○○○○	JBJ INVESTIMENTOS	BRA	●○○○○	Samko Timber Ltd.	SGP	●○○○○
Fonterra Cooperative Group Ltd.	NZL	●○○○○	Kewpie Corp.	JAP	●○○○○	Samling Group	MYS	●○○○○
ForFarmers B.V.	NLD	●○○○○	Kikkoman Corp.	JAP	●○○○○	Samsonite International S.A.	HKG	●○○○○
Frialto	BRA	●○○○○	Land O'Lakes Inc.	USA	●○○○○	Sekisui House Ltd.	JAP	●○○○○
F.R.I.A.R. S.A.	ARG	●○○○○	Le Gouessant	FRA	●○○○○	Seven & I Holdings Co Ltd.	JAP	●○○○○
Frigorifico Gorina S.A.	ARG	●○○○○	Li Ning Company Ltd.	CHN	●○○○○	Shandong Chenming Paper Holdings Co.ltd.	CHN	●○○○○
Fuga Couros S/A	BRA	●○○○○	Lotte Co. Ltd.	JAP	●○○○○	Shell Plc.	GBR	●○○○○
Gap Inc.	USA	●○○○○	Lowe's Companies, Inc.	USA	●○○○○	SHV holdings	NLD	●○○○○
Godrej Group	IND	●○○○○	Marubeni Corp.	JAP	●○○○○	SIFCA Group	CIV	●○○○○
Gold Best Holdings	VGB	●○○○○	Meiji Holdings Co. Ltd.	JAP	●○○○○	Sinograin	CHN	●○○○○
Granol	BRA	●○○○○	Mitsubishi Corp.	JAP	●○○○○	Skechers USA Inc.	USA	●○○○○
			Mizkan Holdings	JAP	●○○○○			

Company	HQ	Score	Company	HQ	Score	Company	HQ	Score
Sociedad Cooperativa Colonizadora Chortitzer Komitee Ltda	PRY	●○○○○	Ashley Furniture Industries Inc.	USA	○○○○○	Guangzhou Liby Enterprise Group Co Ltd.	CHN	○○○○○
Staples inc.	USA	●○○○○	Bata Corp	CHE	○○○○○	Haid Group	CHN	○○○○○
Sysco	USA	●○○○○	Behshahr Industrial Development Corp.	IRA	○○○○○	Haoyue Group	CHN	○○○○○
Tangshan sanyou	CHN	●○○○○	Belle International Holdings Ltd.	HKG	○○○○○	Harita Group	IND	○○○○○
The Home Depot	USA	●○○○○	Best Group	IND	○○○○○	Industrias Frigorificos Recreo SAIC	ARG	○○○○○
The Woodbridge Company Ltd.	CAN	●○○○○	BF Logistics	BRA	○○○○○	Irmãos Gonçalves Comercio e Industria Ltda	BRA	○○○○○
Toyo Suisan Kaisha Ltd.	JAP	●○○○○	Bhartiya International Ltd.	IND	○○○○○	JA Group	JAP	○○○○○
Toyota Group	JAP	●○○○○	Bright Food (Group) Co. Ltd.	CHN	○○○○○	Kai Bo Foods Supermarket	HKG	○○○○○
Tradewinds (M) Berhad	MYS	●○○○○	Camera Agroalimentos S.A.	BRA	○○○○○	Makin Group	IND	○○○○○
Uni-President Enterprises Corp.	TWN	●○○○○	CATTER MEAT SA	ARG	○○○○○	MAR.VI SPED SRL	ITA	○○○○○
Vancouros Indústria e Comércio de Couros LTDA	BRA	●○○○○	China State Construction Engineering Corp.	CHI	○○○○○	Mercúrio Alimentos S/A	BRA	○○○○○
Vicentin S.A.I.C.	ARG	●○○○○	Compañía Bernal S.A.	ARG	○○○○○	New Hope Group	CHN	○○○○○
Vicwood Group	HKG	●○○○○	Compañía Paraguaya de Granos S.A.	PRY	○○○○○	Nice Group	CHN	○○○○○
VW Group	DEU	●○○○○	Coop Freight Logistics LTD	TWN	○○○○○	Offal Exp S.A.	ARG	○○○○○
Walgreens Boots Alliance	USA	●○○○○	Corporación De Abastecimiento Y Servicios Agrícolas S.A. (CASA)	VEN	○○○○○	Parker-Migliorini International	CHE	○○○○○
Want Want	TWN	●○○○○	Cutrale Trading Brasil LTDA	BRA	○○○○○	Rezervnaja Prodovol'stvennaja Kompanija TD ZAO	RUS	○○○○○
Westrock	USA	●○○○○	Dalian Huafeng Furniture Co. Ltd.	CHN	○○○○○	Rioverde OOO	RUS	○○○○○
WH Group	HKG	●○○○○	Darmex Agro	IDN	○○○○○	Shanghai Construction Group	CHN	○○○○○
Wings Corp	IND	●○○○○	Directa Line	BRA	○○○○○	Shuangbaotai Group (Twins Group)	CHN	○○○○○
X5 Group	RUS	●○○○○	East Hope Group	CHN	○○○○○	Soyuz Corporation	RUS	○○○○○
Yamazaki Baking Co.	JAP	●○○○○	EURO AMERICA	BRA	○○○○○	Strong OOO	RUS	○○○○○
Yihua Group	CHN	●○○○○	Evershining Ingredient	THA	○○○○○	Suguna Foods	IND	○○○○○
Yildiz Holding	TUR	●○○○○	Feihe International Inc.	CHN	○○○○○	Tangrenshen Group (TRS)	CHN	○○○○○
Yomiuri Group, The	JAP	●○○○○	Granja Tres Arroyos S.A.	ARG	○○○○○	Tong Hong Tannery	CHN	○○○○○
YPF	ARG	●○○○○	Groupe Blattner Elwyn	COD	○○○○○	Total Enterprise Ltd.	HKG	○○○○○
AFG BRASIL SA	BRA	○○○○○	Grupo Bom Retiro	BRA	○○○○○	Unifood Industrial Group	CHN	○○○○○
Amul	IND	○○○○○	Grupo Jari	BRA	○○○○○	Weltra	ITA	○○○○○
Aokang Group Co. Ltd.	CHN	○○○○○	Guangdong Wens Foodstuff Group Co., Ltd.	CHN	○○○○○	Zhejiang Tongtianxing Group Joint-Stock Co Ltd.	CHN	○○○○○
			Guangzhou Highest Industrial Co. Ltd.	CHN	○○○○○			

Financial Institution	FI HQ	Score	Financial Institution	FI HQ	Score	Financial Institution	FI HQ	Score
Barclays	GBR	●●●●○○	Sumitomo Mitsui Trust	JPN	●●○○○○	CPP Investment Board	CAN	●○○○○○
BNP Paribas	NLD	●●●●○○	UBS	CHE	●●○○○○	Crédit Agricole	FRA	●○○○○○
Deutsche Bank	DEU	●●●●○○	Affiliated Managers Group	USA	●○○○○○	Crédit Mutuel CIC Group.	FRA	●○○○○○
Rabobank	NLD	●●●●○○	Agricultural Bank of China	CHN	●○○○○○	Daiwa Securities	JPN	●○○○○○
Schroders	GBR	●●●●○○	Allianz	DEU	●○○○○○	Deka Group	DEU	●○○○○○
Standard Chartered	GBR	●●●●○○	American Century Companies	USA	●○○○○○	Fidelity Investments	USA	●○○○○○
ABN Amro	NLD	●●●○○○	Baillie Gifford	UK	●○○○○○	Fifth Third Bancorp	USA	●○○○○○
Abrdn	GBR	●●●○○○	Banco do Brasil	BRA	●○○○○○	Franklin Resources	USA	●○○○○○
Ameriprise Financial	USA	●●●○○○	Bangkok Bank	THA	●○○○○○	Fundsmith	GBR	●○○○○○
Australia and New Zealand Banking Group Ltd. (ANZ)	AUS	●●●○○○	Bank Central Asia	IDN	●○○○○○	Geode Capital Management	USA	●○○○○○
Banco Bilbao Vizcaya Argentaria (BBVA)	ESP	●●○○○○	Bank Mandiri	IDN	●○○○○○	Goldman Sachs	USA	●○○○○○
CIMB Group	MYS	●●○○○○	Bank Negara Indonesia	IDN	●○○○○○	HDFC Bank	IND	●○○○○○
Citigroup	USA	●●○○○○	Bank of America	USA	●○○○○○	Intesa Sanpaolo	ITA	●○○○○○
DBS	SGP	●●○○○○	Bank of New York Mellon	USA	○○○○○○	Invesco	USA	●○○○○○
DZ Bank	DEU	●●○○○○	Bank of Philippine Islands	PHL	●○○○○○	Itaú Unibanco	BRA	●○○○○○
Fidelity International	BMU	●●○○○○	Bank Rakyat Indonesia	IDN	●○○○○○	Janus Henderson	GBR	●○○○○○
HSBC	GBR	●●○○○○	BlackRock	USA	●○○○○○	JBIC	JPN	●○○○○○
ING Group	NLD	●●○○○○	BMO Financial Group	CAN	●○○○○○	J.P. Morgan Chase Bank	USA	●○○○○○
Landesbank Baden-Württemberg (LBBW)	DEU	●●○○○○	BNDES	BRA	●○○○○○	Kasikornbank	THA	●○○○○○
Legal & General	GBR	●●○○○○	Bradesco	BRA	●○○○○○	Kotak Mahindra Finance Ltd.	IND	●○○○○○
Lloyds Banking Group	GBR	●●○○○○	BTG Pactual	BRA	●○○○○○	Krung Thai Bank	THA	●○○○○○
Mitsubishi UFJ Financial	JPN	●●○○○○	Caixa Econômica Federal	BRA	●○○○○○	KWAP Retirement Fund	MYS	●○○○○○
Mizuho Financial Group Inc.	JPN	●●○○○○	California Public Employees' Retirement System (CalPERS)	USA	●○○○○○	Macquarie Group	AUS	●○○○○○
Morgan Stanley	USA	●●○○○○	California State Teachers' Retirement System (CalSTRS)	USA	●○○○○○	Magellan Financial Group	AUS	●○○○○○
NatWest Group	GBR	●●○○○○	Capital Group	USA	●○○○○○	Malayan Banking	MYS	●○○○○○
Nordea	FIN	●●○○○○	China Construction Bank	CHN	●○○○○○	Manulife Financial	CAN	●○○○○○
Norges Bank Investment Management	NOR	●●○○○○	CIBC	CAN	●○○○○○	Neuberger Berman Group LLC	USA	●○○○○○
SMBC Group	JAP	●●○○○○	Commerzbank	DEU	●○○○○○	New York Life Insurance	USA	●○○○○○
Société Générale	FRA	●●○○○○				New York State Common Retirement Fund	USA	●○○○○○
						Nomura	JPN	●○○○○○

Financial Institution	FI HQ	Score	Financial Institution	FI HQ	Score	Financial Institution	FI HQ	Score
Norinchukin Bank	JPN	●○○○○	3G Capital	BRA	○○○○○	Pension Fund Association for Local Government Officials	JPN	○○○○○
Northern Trust	USA	●○○○○	American International Group (AIG)	USA	○○○○○	Principal Financial Group	USA	○○○○○
Orix Corporation	JPN	●○○○○	Bank DKI	IDN	○○○○○	Raymond James Financial	USA	○○○○○
Pensioenfonds Zorg en Welzijn (PFZW)	NLD	●○○○○	Bank of China	CHN	○○○○○	Schweizerische Nationalbank	CHE	○○○○○
Pictet	CHE	●○○○○	Bank of Communications	CHN	○○○○○	State Farm	USA	○○○○○
PNC Financial Services	USA	●○○○○	Charles Schwab	USA	○○○○○	TIAA	USA	○○○○○
Power Corp. of Canada	CAN	●○○○○	CITIC	CHN	○○○○○			
Prudential Financial (US).	USA	●○○○○	Dimensional Fund Advisors	USA	○○○○○			
Public Bank Bhd.	MYS	●○○○○	Dynamo - Administração de Recursos	BRA	○○○○○			
Qatar Investment Authority	QAT	●○○○○	Employees Provident Fund	MYS	○○○○○			
RHB Banking	MYS	●○○○○	Equitable Holdings, Inc.	USA	○○○○○			
Royal Bank of Canada	CAN	●○○○○	Farm Credit Services Commercial Finance Group	USA	○○○○○			
Safra Group	BRA	●○○○○	Fisher Investments	USA	○○○○○			
Santander	ESP	●○○○○	Florida State Board of Administration (FSBA)	USA	○○○○○			
Scotiabank	CAN	●○○○○	Flossbach & von Storch	DEU	○○○○○			
Skandinaviska Enskilda Banken	SWE	●○○○○	Government Pension Investment Fund (GPIF)	JPN	○○○○○			
State Bank of India	IND	●○○○○	Groupe BPCE	FRA	○○○○○			
State Street	USA	●○○○○	Grupo XP	BRA	○○○○○			
Stichting Pensioenfonds ABP	NLD	●○○○○	Guggenheim Capital	USA	○○○○○			
Sun Life Financial	CAN	●○○○○	ICICI Bank	IND	○○○○○			
Swedbank Robur Fonder AB	SWE	●○○○○	Industrial and Commercial Bank of China	CHN	○○○○○			
Toronto-Dominion Bank	CAN	●○○○○	Japan Mutual Aid Association of Public School Teachers	JPN	○○○○○			
T. Rowe Price	USA	●○○○○	Kapitalo Investimentos	BRA	○○○○○			
Truist Financial Corp.	USA	●○○○○	Lazard Ltd.	BMU	○○○○○			
UniCredit	ITA	●○○○○	National Pension Service	KOR	○○○○○			
US Bancorp	USA	●○○○○	Nippon Life Insurance	JPN	○○○○○			
Vanguard	USA	●○○○○	Northwestern Mutual	USA	○○○○○			
Wellington Management	USA	●○○○○						
Wells Fargo	USA	●○○○○						
Yayasan Pelaburan Bumiputra	MYS	●○○○○						

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About the Forest 500:

Forest 500, a Global Canopy project, identifies and ranks the most influential companies and financial institutions on the strength and implementation of their commitments on deforestation, conversion, and associated human rights abuses, in the race towards a deforestation-free global economy.

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About Global Canopy:

Global Canopy is a data driven not for profit targeting the market forces destroying nature. Since 2001, we have been testing new approaches to tackling deforestation, and guiding companies, investors and governments worldwide to think differently about our planet's forests.

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