### Analysis of Company Responses to Bumitama Letter

SumOfUs and the Forest Heroes Campaign wrote letters to 200 companies that purchase palm oil to give them the opportunity to comment within ten days on whether or not they had Bumitama’s palm oil in their supply chain. Many of these were direct or indirect customers of IOI and Wilmar International, the two traders most connected to Bumitama, as profiled in the report.

Of 200 letters sent, 28 companies responded (14%), of which 15 (56%) explicitly expressed concern or disapproval of Bumitama’s practices.

* One company was considered to have issued only a “soft denial” of contributing to Bumitama’s deforestation: IOI Loders Croklaan. Despite asserting that they do not source palm oil from Bumitama, IOI owns 31.2% of Bumitama, which means it bears significant responsibility for its operations.
* Nine companies were considered to issue a “medium denial” of involvement with Bumitama, because they did not provide evidence that proved with confidence that Bumitama’s palm oil is not in their supply chain – but they did assert a range of sustainability criteria when procuring palm oil that would reduce the likelihood of palm oil from Bumitama ending up in their products.
* Eighteen companies were considered to have issued a “firm denial” of responsibility for Bumitama because they meet one of the following criteria: sourcing 100% segregated certified sustainable palm oil; sourcing outside of Indonesia; suppliers confirmed that they do not source directly or indirectly from Bumitama; or they have adopted a policy eliminating deforestation and exploitation from their supply chain.

The letters revealed that many companies themselves are often confused about their own supply chains and are relying on suppliers to provide them with honest information about their sourcing practices without further verification of such claims. Only by maintaining a fully traceable supply chain can companies know for certain where their palm oil comes from and how it was cultivated.

Two important caveats for this work are:

* The purpose of this exercise was to establish a record of responses to questions about involvement with Bumitama. It is important to note that we did not seek to verify the claims made by companies, and it is possible that we did not receive full or accurate information.
* The inquiry to companies focused only on sourcing from Bumitama or contributing to Bumitama’s operations. There are many other palm oil companies that use similar practices to Bumitama: illegality, deforestation, and species endangerment is pervasive throughout the palm oil industry. Even companies that issued firm denials about involvement with Bumitama may still have deforestation in their supply chain, especially if they are relying on palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO). As explained in the report, RSPO still has significant loopholes that allow for deforestation, high-carbon peatland clearing and destruction of endangered species habitat. Unfortunately, 23 of the companies that responded are relying on RSPO to meet their sustainability goals, despite it being an insufficient standard.

The only way for companies to assure consumers that their products are free of deforestation and exploitation like the Bumitama case is by adopting a comprehensive sourcing policy that eliminates deforestation and exploitation from a company’s supply chain. This must be coupled with a traceable supply chain and independent verification. Only one company that responded meets this standard currently—Nestlé. Additionally, Unilever has committed to 100% traceable palm oil and has communicated that it is developing a zero deforestation policy. Fortunately, these two companies are two of the largest consumer company users of palm oil, meaning that if they can do it, any other user of palm oil can do it too.

SumOfUs and Forest Heroes has begun dialogue with several of the companies that responded to provide advice on improvements to their sourcing practices, and we will continue to engage with the companies who have not yet responded to seek fuller information on the sources of their palm oil.