The need for cross-commodity no-deforestation policies by the world's palm oil buyers

August 2021
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

This report is part of the project
‘Corporate Transformation in Indonesia’s Pulp & Paper Sector’

Front page image:
Forest clearing by Djarum industrial tree plantation subsidiary PT Silva Rimba Lestari
Coordinates: 0°17’12.84”N; 115°56’47.40”E.
Source: Planet satellite imagery as of December 2018

Graphic Design:
Grace Cunningham
www.linkedin.com/in/gracecunninghamdesign/
Supported by
Good Energies Foundation
www.goodenergies.org

August 2021

Aidenvironment team for this report:
Albert ten Kate, Marco Tulio Garcia, Auriane Germemont, Christopher Wiggs,
Geoanna Corneby, Okita Minaringrum, Sri Wahyuni.

Contact:

www.aidenvironment.org/pulp-and-paper/
info@aidenvironment.org

Aidenvironment
Barentszplein 7
1013 NJ Amsterdam
The Netherlands
+ 31 (0)20 686 81 11

Aidenvironment Asia
Noble House 30th Floor
Jl. Dr. Ide Anak Agung Gde Agung kav. E4.2
Kuningan Timur, Jakarta 12950

Aidenvironment is registered at the Chamber of Commerce of Amsterdam in the Netherlands – Number 41208024
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers
The need for cross-commodity policies

1. The need for cross-commodity policies
1.1 Palm oil refiners’ NDPE policies: Successful, but lacking scope
1.2 The industrial tree plantation sector needs a sustainability boost
1.3 Palm oil refiners have leverage over deforesting business partners
1.4 Opportunities for refiners to contribute to forest conservation
1.5 Precedent set for cross-commodity application of policies
1.6 Similarities in the industrial tree plantation and palm oil sectors
1.7 Some major refiners appear open to cross-commodity policy application
1.8 Royal Golden Eagle (RGE) and industrial tree plantations

Deforestation cases

2. Deforestation cases involving ten company groups
2.1 Djarum
2.2 RGE-connected Nusantara Fiber
2.3 RGE-connected PT Adindo Hutani Lestari
2.4 Rimbunan Hijau
2.5 Samling
2.6 Shin Yang
2.7 Alas Kusuma
2.8 Jhonlin
2.9 Hardaya
2.10 Sampoerna
2.11 Methodology

Appendix

A.1 Company groups with oil palm and industrial trees
A.2 Indonesia’s and Malaysia’s main palm oil refiners
A.3 Samling’s response regarding its logging operations

References
Executive Summary

The world’s palm oil refiners have deforesting business partners. In Indonesia and Sarawak in Malaysia, ten company groups cleared 133,000 hectares (ha) of forests inside industrial tree plantation concessions between 2016 and March 2021. This includes 21,000 ha of deforestation since 2020. As well as industrial tree plantation concessions, these ten companies also operate oil palm plantations.

Operating in multiple commodities is common for companies in Indonesia and Malaysia. In Indonesia, no less than 64% of all industrial tree plantation permits are held by company groups that also grow oil palm. In Sarawak, the six largest companies in oil palm plantation development are estimated to hold 69% of Sarawak’s industrial tree plantation concessions.

Via their palm oil operations, the ten companies deforesting for industrial tree plantation development are business partners of some of the world’s main palm oil refiners (Table 1).

Opportunities for refiners to save more forests

The No Deforestation, No Peat, No Exploitation (NDPE) policies of the world’s largest palm oil refiners have reduced deforestation for oil palm in Indonesia. This is attributed to refiners effectively using their economic leverage over oil palm growers to stop deforestation and insist on NDPE compliance.

The industrial tree plantation sector has similar sustainability issues as the palm oil sector, and there is significant overlap in the companies working in both sectors. Many of the largest plantation developers in the industrial timber sector also work in the palm oil sector, and some of the largest deforesters for industrial timber supply palm oil to buyers with NDPE policies.

Refiners currently apply NDPE policies only to oil palm plantation development, and so far, they have not used their economic leverage on business partners that cut down forests for industrial tree concessions.

This means that traders who claim to implement NDPE policies for palm oil are still exposed to deforestation, and forests in Indonesia and Malaysia continue to be cleared.

Forests at risk

The seven deforesting Indonesian company groups covered in this report still have 373,000 ha of intact forests inside their concession areas. These have not been subject to High Carbon Stock (HCS) assessments, and High Conservation Value (HCV) assessments, if any, are not publicly available.

Three industrial tree plantation (HTI) companies stand out as their large areas of remaining forest have been assessed as orangutan habitats. These three companies are: Alas Kusuma subsidiary, PT Mayawana Persada; Nusantara Fiber subsidiary, PT Industrial Forest Plantation; and Jhonlin/Taiyoung owned PT Taiyoung Engreen, with 77,000, 57,000 and 43,000 hectares of remaining forests, respectively.
### Table 1
Deforestation for industrial trees plantations by ten company groups

<table>
<thead>
<tr>
<th>DEFORESTING COMPANY GROUP</th>
<th>DEFORESTATION FOR INDUSTRIAL TREES 2016 - MARCH 2021 (HA)</th>
<th>PALM OIL REFINERS THAT ARE KNOWN BUSINESS PARTNERS OF THE DEFORESTING COMPANY GROUPS (DIRECT BUYERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGE connected: Nusantara Fiber</td>
<td>29,336</td>
<td>RGE (Apical), Musim Mas, Wilmar, HSA Group/Pacific Inter-Link</td>
</tr>
<tr>
<td>Djarum</td>
<td>10,833</td>
<td>Wilmar, Wings</td>
</tr>
<tr>
<td>RGE connected: Adindo Hutani Lestari</td>
<td>5,335</td>
<td>RGE (Apical), Musim Mas, Mewah, KLK, Wilmar, Sinar Mas (GAR), HSA Group/Pacific Inter-Link</td>
</tr>
<tr>
<td>Alas Kusuma</td>
<td>5,862</td>
<td>Itochu Corporation**</td>
</tr>
<tr>
<td>Jhonlin*</td>
<td>7,929</td>
<td>Sime Darby, Wings, Bina Karya Prima</td>
</tr>
<tr>
<td>Hardaya</td>
<td>2,269</td>
<td>Musim Mas, Wilmar, Wings</td>
</tr>
<tr>
<td>Sampoerna</td>
<td>1,382</td>
<td>Sinar Mas (GAR), Louis Dreyfus, Musim Mas, Wahana Citra Nabadi, RGE (Apical)</td>
</tr>
<tr>
<td>Rimbunan Hijau</td>
<td>30,110</td>
<td>Wilmar, BLD Plantation, Sarawak Oil Palms</td>
</tr>
<tr>
<td>Samling</td>
<td>25,643</td>
<td>BLD Plantation</td>
</tr>
<tr>
<td>Shin Yang</td>
<td>14,341</td>
<td>Cargill, KLK, Sinar Mas</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>133,040</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Includes 4,927 ha of deforestation by PT Taeyoung Engreen, which is 30%-owned by Jhonlin. Sime Darby will stop sourcing from Jhonlin from July 2021 onwards.

** The Itochu Corporation buys plywood from Alas Kusuma.
The world’s largest palm oil refiners should adopt cross-commodity no-deforestation policies. By requiring NDPE compliance from their business partners for both palm oil and industrial tree operations, palm oil refiners can be key enablers in reducing deforestation and addressing global climate and biodiversity crises.

The ten examples in this report show the industrial tree plantation sector offers opportunities to save hundreds of thousands of hectares of forests. The industrial tree plantation sector in Indonesia and Sarawak, Malaysia needs a sustainability boost, as few company groups in the sector currently have sustainability commitments.

Given the overlap in ownership and location, the industrial tree plantation sector is the most important sector for cross-commodity NDPE application.

There are no practicalities standing in the way of refiners adding industrial tree plantations to their NDPE policies. Deforestation and responsible companies are easily detectable, and responsible traders should already be monitoring key landscapes in Indonesia and Malaysia.

The ultimate aim of palm oil buyers should be to have business partners that are deforestation-free on all their businesses.

‘There are no practicalities standing in the way of refiners adding industrial tree plantations to their NDPE policies.’
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

Aidenvironment

Alas Kusuma, PT Mayawana Persada
Indonesia, February 2021
© Aidenvironment

Case 2.7 in Cross Commodities Report
CHAPTER 1

THE NEED FOR CROSS-COMMODITY POLICIES
The need for cross-commodity no-deforestation policies by the world's palm oil buyers

Aidenvironment
A limitation of refiners’ NDPE policies is that they apply only to oil palm development. In Indonesia, no less than 64% of all industrial tree plantation permits are held by company groups that also grow oil palm. Palm oil refiners use their leverage over company groups to demand NDPE compliance when deforestation occurs for oil palm. However, these controls are not applied to industrial tree plantations, leaving refiners exposed to deforestation.

If palm oil refiners were to adopt cross-commodity policies that apply to all deforestation conducted by their business partners, they could prevent further deforestation and have business partners that are truly deforestation-free.

A limitation of refiners’ NDPE policies is that they apply only to oil palm development. In Indonesia, no less than 64% of all industrial tree plantation permits are held by company groups that also grow oil palm. Palm oil refiners use their leverage over company groups to demand NDPE compliance when deforestation occurs for oil palm. However, these controls are not applied to industrial tree plantations, leaving refiners exposed to deforestation.

1.1 Palm oil refiners’ NDPE policies: Successful, but lacking scope

PALM oil refiners are a strategic bottleneck in palm oil’s global supply chain. Since 2013, the world’s largest palm oil refiners have adopted No Deforestation, No Peat, No Exploitation (NDPE) policies. Recognized as the strongest market instrument for cutting the direct link between deforestation and palm oil, NDPE policies have been successful due to the economic leverage refiners have over oil palm growers. When refiners commit to NDPE policies, conditions are applied to their own plantations and the plantations of their third-party suppliers. As of June 2020, NDPE policies covered 83% of the palm oil refining capacity in Indonesia and Malaysia, with 78% of companies implementing these policies.1

In recent years, deforestation for oil palm has decreased due to a combination of factors: government policies and regulations, weak crude palm oil (CPO) prices due to oversupply, declining forest cover due to previous deforestation, and climatic conditions.2 Although attribution is difficult to measure, the implementation of NDPE policies has contributed to the reduction of deforestation for oil palm plantations in Indonesia.

A limitation of refiners’ NDPE policies is that they apply only to oil palm development. In Indonesia, no less than 64% of all industrial tree plantation permits are held by company groups that also grow oil palm. Palm oil refiners use their leverage over company groups to demand NDPE compliance when deforestation occurs for oil palm. However, these controls are not applied to industrial tree plantations, leaving refiners exposed to deforestation.

If palm oil refiners were to adopt cross-commodity policies that apply to all deforestation conducted by their business partners, they could prevent further deforestation and have business partners that are truly deforestation-free.

Refiners expose themselves and their clients to increased reputational risk from deforestation in other commodities beyond palm oil. Public expectations regarding no-deforestation commitments make no distinction between commodities. Stakeholders may not be convinced by policies that prohibit deforestation by a business partner for palm oil, but allow deforestation by the same business partner if done for other commodities.

Cross-commodity application of policies is increasingly expected by buyers and stakeholders. The Accountability Framework Initiative, an internationally accepted guideline for achieving ethical supply chains, advises: ‘Company commitments apply broadly across the company to address the social and environmental risks that may arise as a result of the company’s own operations, sourcing, and financing related to agricultural and forestry commodities.’3 Guidelines on scope further emphasize that ‘commitments apply to all segments of the company for which these commodities may pose environmental or social risks; their scope is not limited to specific markets, product lines, ownerships, or geographies.’ The framework reasons that broad scope is essential for commitments to lead to results.

At present, palm oil refiners and processors with NDPE policies have been seen to dismiss grievances about business partners deforesting if the deforestation is for industrial tree plantations. For example, the refiners and processors Wilmar, Cargill and AAK have published long lists of grievances that are considered ‘ineligible,’ ‘not within their scope’ or ‘unqualified.’4 Some of these cases refer to deforestation related to industrial tree plantations. Even more cases of deforestation for industrial tree plantations are overlooked and do not enter the grievance system of palm oil refiners and processors.
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

The industrial tree plantation sector needs a sustainability boost

The industrial tree plantation sector is the second largest plantation sector in Indonesia after oil palm, and occupies the same position in the Malaysian state of Sarawak. Industrial trees are used for the production of paper and textile fibres, as well as for wood products and energy generation.

The Indonesian industrial tree plantation sector is dominated by the two large pulp and paper producers Asia Pulp & Paper (APP) and Asia Pacific Resources International Holdings (APRIL). APP and APRIL are parts of the Sinar Mas and Royal Golden Eagle (RGE) groups of companies, respectively. The Japanese company Marubeni Corporation also produces pulp in Indonesia, but to a lesser extent.

The industrial tree plantation sector is not performing well in terms of sustainability commitments. Of the 21 largest oil palm growers in Indonesia, 16 are committed to NDPE policies. Meanwhile, of Indonesia’s 21 largest industrial tree growers, only Sinar Mas, RGE and Marubeni have sustainability commitments that are close to NDPE.
These sustainability commitments largely mirror palm oil refiners’ NDPE policies, except that Sinar Mas and RGE still allow the planting of industrial trees on unforested peatlands.6

Despite this, as in the palm oil sector, the sustainability commitments of Sinar Mas, RGE and Marubeni have reduced deforestation in the industrial tree plantation sector. An extensive study released by Trase in February 2021 noted that between 2015 and 2019, deforestation had fallen by 85% compared to the 2010-2012 period inside the 91 concessions supplying wood fibre to Indonesian pulp mills belonging to Sinar Mas, Royal Golden Eagle and Marubeni.7

The industrial tree plantation sector can build on progress made and strengthen the adoption and implementation of NDPE policies. A key message from the progress report published in November 2020 on the New York Declaration on Forests was: ‘Assessing the quality and implementation of these [no-deforestation] commitments, companies in the palm oil, and pulp and paper sectors in Southeast Asia are consistently more advanced than their counterparts in cattle and soy supply chains in Latin America.’8 With sector-wide capacity developed, it is an opportune time for palm oil and pulp and paper companies to set higher standards for sustainability performance.

‘Of Indonesia’s 21 largest industrial tree growers, only Sinar Mas, RGE and Marubeni have sustainability commitments that are close to NDPE.’
1.3

Palm oil refiners have leverage over deforesting business partners

The four largest palm oil refiners in Indonesia are Wilmar International, Musim Mas, Sinar Mas (Golden Agri-Resources) and Royal Golden Eagle (Apical). Together they cover more than 60 percent of Indonesia’s palm oil refining capacity. The four companies all have NDPE policies that apply to their entire palm oil supply chains. All four also have palm oil businesses with companies that are deforesting for industrial tree plantations. Next to the big four refiners, other refiners source directly from palm oil mills owned by companies deforesting for industrial trees. Table 2 below shows which palm oil refiners could be identified as direct buyers from the mills of deforesting companies.

Sarawak’s main palm oil refiner is Wilmar. Rimbunan Hijau, Sarawak Oil Palms, BLD Plantation and Sime Darby also have palm oil refineries in Sarawak. Companies with refineries outside Sarawak may also source from the state, although this is likely in small amounts given the additional transport costs.

Together, ten company groups have cleared 129,000 ha of forests in Indonesia and Sarawak’s industrial tree plantation sectors since 2016, with 21,000 ha cleared during the 2020 to March 2021 period. These deforesting companies are business partners of the world’s main palm oil refiners, meaning these refiners have leverage over the deforesting company groups.

‘Next to the big four refiners, other refiners source directly from palm oil mills owned by companies deforesting for industrial trees.’
### Table 2
Deforestation for industrial trees plantations by ten company groups

<table>
<thead>
<tr>
<th>DEFORESTING COMPANY GROUP</th>
<th>2016 - MARCH 2021 (HA)</th>
<th>2020 - MARCH 2021 (HA)</th>
<th>PALM OIL REFINERS THAT ARE KNOWN BUSINESS PARTNERS OF THE DEFORESTING COMPANY GROUPS (DIRECT BUYERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGE connected: Nusantara Fiber</td>
<td>29,336</td>
<td>7,147</td>
<td>RGE (Apical), Musim Mas, Wilmar, HSA Group/Pacific Inter-Link</td>
</tr>
<tr>
<td>Djarum</td>
<td>10,833</td>
<td>715</td>
<td>Wilmar, Wings</td>
</tr>
<tr>
<td>RGE connected: Adindo Hutani Lestari</td>
<td>5,335</td>
<td>1,274</td>
<td>RGE (Apical), Musim Mas, Mewah, KLK, Wilmar, Sinar Mas (GAR), HSA Group/Pacific Inter-Link</td>
</tr>
<tr>
<td>Alas Kusuma</td>
<td>5,862</td>
<td>3,047</td>
<td>Itochu Corporation**</td>
</tr>
<tr>
<td>Jhonlin*</td>
<td>7,929</td>
<td>549</td>
<td>Sime Darby, Wings, Bina Karya Prima</td>
</tr>
<tr>
<td>Hardaya</td>
<td>2,269</td>
<td>228</td>
<td>Musim Mas, Wilmar, Wings</td>
</tr>
<tr>
<td>Sampoerna</td>
<td>1,382</td>
<td>255</td>
<td>Sinar Mas (GAR), Louis Dreyfus, Musim Mas, Wahana Citra Nabadi, RGE (Apical)</td>
</tr>
<tr>
<td>Rimbunan Hijau</td>
<td>30,110</td>
<td>5,101</td>
<td>Wilmar, BLD Plantation, Sarawak Oil Palms</td>
</tr>
<tr>
<td>Samling</td>
<td>25,643</td>
<td>1,432</td>
<td>BLD Plantation</td>
</tr>
<tr>
<td>Shin Yang</td>
<td>14,341</td>
<td>1,391</td>
<td>Cargill, KLK, Sinar Mas</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>133,040</strong></td>
<td><strong>21,139</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Includes 4,927 ha of deforestation by PT Taiyoung Engreen, which is 30%-owned by Jhonlin. Sime Darby will stop sourcing from Jhonlin from July 2021 onwards.

** The Itochu Corporation buys plywood from Alas Kusuma.
Opportunities for refiners to contribute to forest conservation

This report covers cases of deforestation for industrial tree plantations by ten company groups. Seven of the report’s ten cases involve Indonesian company groups, while the remaining three involve company groups deforesting in Sarawak. Together, the seven Indonesian company groups have a total of 373,996 ha of intact forests remaining inside their industrial tree plantation concession areas. For some of these concessions, High Conservation Value (HCV) areas have been assessed and will likely be spared from clearing. However, there are no publicly available High Carbon Stock (HCS) assessments for any of the seven company groups’ concessions, where HCS assessments have likely never been conducted. As such, intervention by palm oil refiners could prevent further deforestation.

Three industrial tree plantation (HTI) companies stand out as having large areas of intact forests inside their concessions, nearly all of which constitute orangutan habitats. These three companies are Alas Kusuma subsidiary, PT Mayawana Persada, Nusantara Fiber subsidiary PT Industrial Tree Plantation, and Jhonlin/Taiyoung owned PT Taiyoung Engreen, with 77,000, 57,000 and 43,000 hectares of remaining forests, respectively. These three concessions have not been subject to High Carbon Stock assessments, and High Conservation Value assessments, if any, are not publicly available.

Due to unclear permit data and a lack of forest cover administration, remaining forest cover could not be calculated for the three company groups with cases of deforestation in Sarawak.
<table>
<thead>
<tr>
<th>GROUP</th>
<th>HTI PERMIT AREA (HA)</th>
<th>REMAINING FORESTS AS OF 31 DECEMBER 2020 (HA)</th>
<th>REMAINING FORESTS INSIDE HTI PERMIT AREA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alas Kusuma Group</td>
<td>136,710</td>
<td>76,881</td>
<td>56</td>
</tr>
<tr>
<td>Djarum</td>
<td>229,494</td>
<td>68,348</td>
<td>30</td>
</tr>
<tr>
<td>Jhonlin</td>
<td>116,475</td>
<td>66,534</td>
<td>57</td>
</tr>
<tr>
<td>Nusantara Fiber group</td>
<td>241,682</td>
<td>61,544</td>
<td>25</td>
</tr>
<tr>
<td>Adindo Hutani Lestari</td>
<td>181,837</td>
<td>53,067</td>
<td>29</td>
</tr>
<tr>
<td>Sampoerna</td>
<td>183,288</td>
<td>31,035</td>
<td>17</td>
</tr>
<tr>
<td>Hardaya</td>
<td>42,050</td>
<td>16,587</td>
<td>39</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,131,536</strong></td>
<td><strong>373,996</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>
1.5

Precedent set for cross-commodity application of policies

In some cases, palm oil refiners have taken action against palm oil business partners causing deforestation for industrial tree plantation development. A recent case involving the palm oil company United Malacca is the best example.

United Malacca has an oil palm landbank of approximately 45,000 ha scattered over Peninsular Malaysia, the Malaysian state of Sabah and the Indonesian province of Central Kalimantan. It runs two palm oil mills, located in the Malaysian states of Sabah and Pahang. In August 2018, the company acquired a 60 percent stake in the plantation company PT Wana Rindang Lestari, which owns rights to develop an industrial tree plantation on 59,920 ha in Central Sulawesi province in Indonesia. The concession has 78% forest cover and includes areas of primary forest. After serious concerns were raised by the NDPE market and the Indonesian NGO Earthqualizer Foundation, United Malacca issued a stop work order and stated that environmental concerns would be addressed before any activity could resume. In January 2021, the company stated on its website that it is in the process of preparing for future HCV/HCS studies. Since 1 April 2021, United Malacca has had an NDPE policy for its palm oil operations.

Another example is the Malaysian company Samling, which in January to May 2020 experienced trade suspensions from many palm oil refiners and consumer goods companies. These suspensions related to Samling’s continuing deforestation for industrial tree plantations. Samling has since improved its sustainability commitments, particularly in regard to its oil palm operations, but has yet to explicitly prohibit deforestation for industrial tree plantation development.
‘... but has yet to explicitly prohibit deforestation for industrial tree plantation development.’
Similarities in the industrial tree plantation and palm oil sectors

Companies growing industrial trees are often the same companies growing oil palm. In Indonesia, no less than 64% of all industrial tree plantation permits are held by company groups that also grow oil palm. In Sarawak, the big six companies with logging, industrial tree plantation and oil palm operations are estimated to hold 69% of Sarawak’s industrial tree concessions.

The environmental and social impacts of industrial tree plantations are similar to those seen in oil palm plantations, and include deforestation, peat clearance, loss of endangered species habitats, land conflicts, fire episodes and human rights issues. The industrial tree plantation sector is therefore the most obvious start for palm oil refiners to add to their NDPE policies. The sector has the same sustainability issues as the palm oil sector, has prominent company overlap with the palm oil sector, and industrial timber and oil palm plantation concessions are often operating in the same landscapes, which makes them easy to monitor.
Company group and business partner overlaps also exist in other sectors. Some examples include:

- Logging companies that produce plywood and sawn wood may also be active in the palm oil or industrial tree plantation sectors. An example in this report is the Japanese company Itochu Corporation buying plywood from Alas Kusuma, which is actively deforesting for industrial tree plantation development.

- Some company groups, such as Sinar Mas, Harita Group and Astra Group are active in the mining sector as well as the palm oil sector. Astra Group’s United Tractors Tbk has a majority shareholding in the mining company PT Agincourt Resources Tbk. This mining company has an active gold mining concession in North Sumatra with operations partly overlapping habitat of the critically endangered Tapanuli orangutan. Only 800 individuals are thought to be left in the wild, making it the rarest great ape species in the world. Most large palm oil refiners are business partners of Astra Group’s Astra Agro Lestari, which is among the largest oil palm growers in Indonesia.

- In its response to a draft report sent for review, Musim Mas said: ‘From 2022 onwards, we will extend our sustainability policy to our coconut operations. We recognize that coconut is at an early stage of setting industry-wide requirements for sustainable production. We are looking forward to contributing to progress in this commodity.’
Some major refiners appear open to cross-commodity policy application

The five largest palm oil refiners in Indonesia and Malaysia are Wilmar International, Musim Mas, Sinar Mas (Golden Agri-Resources), Royal Golden Eagle (Apical) and Mewah International. During the process of writing this report, these refiners were asked for their views on adopting cross-commodity policies. In their responses, Wilmar International and Sinar Mas (Golden Agri-Resources) did not elaborate on their views, even after follow-up e-mails had been sent.

Royal Golden Eagle (Apical) seems to reject the prospect of adopting a cross-commodity policy, stating: 'While commodities do co-exist in the same landscape, different government regulations and industry standards and practices apply. Apical is first and foremost committed to ensuring that its palm supply chain is monitored closely to drive policy compliance by engaging its suppliers and delivering socio-economic benefits that support smallholder communities.'

Musim Mas responded positively, although it did express doubts over the effectiveness of cross-commodity policies: 'We recognize the aspirational value of a broad cross-commodity No-Deforestation policy. The implementation of such a policy might not meet expectations. We will have the appropriate leverage or will be able to establish fruitful dialogues with some diversified companies. In many cases, when the palm is a small activity in a group or when group structures are complex or informal, our opportunity to impact will be limited.'

Mewah International responded positively, though it also stated it would not be the first company to adopt such policy: 'First of all, our company applauds the perspective that palm oil refiners should expand the scope of existing NDPE policy, to cover the industrial tree sectors. This will be a definite advantageous move to further reduce deforestation in tackling global climate change issues as well as the critical biodiversity crisis. If a 'cross-commodities' NDPE policy is agreeable & supported by the major brands/traders in the industry, Mewah shall reinforce the same requirement in our policy.'

Four more refiners – Sime Darby, HSA Group/Pacific Inter-Link, IOI Group and Kuala Lumpur Kepong (KLK) – all of which are among the 12 largest refiners in
Indonesia and Malaysia (see Appendix 2 of this report), were also asked to express their views on adopting cross-commodity policies. Of these companies, only Sime Darby responded to this specific question.

Sime Darby responded positively saying: "To your question on cross-commodity no-deforestation commitments, we confirm that at this time our no-deforestation policy is only applicable to commodities that we source (as outlined in our Responsible Agriculture Charter) and thus, does not yet extend to other industries that our suppliers may be involved in. We recognize the importance of cross-commodity engagements to address deforestation in key landscapes. This is why our no-deforestation commitments cover all the commodities that we source. We would certainly participate in discussions on how this could be approached, if Aidenvironment is planning to convene a group of stakeholders to explore this issue further."
Royal Golden Eagle (RGE) and industrial tree plantations

This report is about the need for cross-commodity no-deforestation policies to be adopted by palm oil refiners. However, it should also be noted that Royal Golden Eagle (RGE), the second largest company group active in Indonesia’s pulp and paper sector is not living up to its sustainability commitments. In its policy, RGE states that it protects and prevents its suppliers from clearing High Carbon Stock (HCS) forests. In practice, many cases show RGE disregarding HCS forests.

After Aidenvironment sent a draft report for review, RGE responded to these deforestation cases saying:

‘APRIL Group reiterates our categorical rejection of claims included in the latest Aidenvironment draft report (‘The world’s palm oil refiners should adopt cross-commodity no-deforestation policies’) that deforestation has occurred in our supplier network. All of our current and future fiber suppliers are required to comply with APRIL’s Sustainable Forest Management Policy 2.0 (SFMP), which explicitly states the company’s commitment to eliminate deforestation from our supply chain and to protecting the forest and peatland landscapes in which we operate.’

APRIL also responded in detail to Aidenvironment’s claims in regard to the deforestation cases. In its responses, it ignored the fact that protecting High Carbon Stock (HCS) areas is part of its policy and did not acknowledge that deforesting companies are subsidiaries of a group that supplies APRIL.
The case on PT Permata Borneo Abadi

Draft-report sent for review: In 2020, the plantation company PT Permata Borneo Abadi cleared 850 ha of forest for an industrial tree plantation. The company is part of the RGE-connected Sumatera Dinamika Utama group, which is a recognized long-term partner supplying fibre to RGE.

APRIL’s response:
"We can confirm that we do not take wood supply from PT. Permata Borneo Abadi."

Aidenvironment:
Aidenvironment had not made claims on volumes sourced. The report discloses that deforestation-linked PT Permata Borneo Abadi is part of a company group that supplies APRIL.

The case on Djarum

Draft-report sent for review: In recent years, RGE continued to source pulpwood from Djarum, despite the latter’s deforestation practices. Sinar Mas (APP) has stopped sourcing from Djarum because of its deforestation. The case of Djarum clearing 10,800 ha of forest since 2016 is discussed in this report.

APRIL’s response:
"PT. Fajar Surya Swadaya (FSS). We confirmed in 2018 that the company is an open market supplier of plantation wood. Supply commenced in June 2017 following completion of an internal due diligence process. As we confirmed previously, APRIL did not purchase and use natural forest wood from this supplier. Our due diligence noted that PT FSS had commissioned Tropenbos International to conduct a High Conservation Value assessment of their concessions in April 2015. This was the basis for plantation development carried out in non-HCV areas in 2016-2017. This is explained further in our detailed response to stakeholders."

Aidenvironment:
Aidenvironment had made no claims of APRIL purchasing natural forest wood and had acknowledged the High Conservation Value assessment in the report. Aidenvironment’s report emphasizes that APRIL made no mention of due diligence regarding HCS, despite their no-deforestation commitment that includes protecting HCS areas. APRIL did not respond to concerns relating to HCS.

The case on Alas Kusuma

Draft-report sent for review: In recent years, RGE has still accepted pulpwood deliveries by Alas Kusuma, despite the latter’s obvious deforestation practices. The case of Alas Kusuma clearing 5,900 ha of forest since 2016 is also discussed in this report.

APRIL’s response:
"PT. Mayangkara Tanaman Industri (MTI). APRIL began taking supply from MTI as an open market supplier in June 2016, which was subject to the same due diligence process as other suppliers. Again, we can confirm that APRIL did not receive natural forest wood from this or any other supplier."

Aidenvironment:
Aidenvironment had made no claims of APRIL purchasing natural forest wood. Aidenvironment reported that APRIL had breached its no-deforestation commitment by buying pulpwood from PT Mayangkara Tanaman Industri in 2019 and 2020, while deforestation by Alas Kusuma was ongoing. Back then, the company was still 50% owned by Alas Kusuma. In this instance, APRIL violated its own policy by overlooking the protection of HCS areas and by purchasing from a company that is part of a company group linked to deforestation, ignored the fact that HCS is part of its policy and also failed to acknowledge that the deforesting company is part of a company group that supplies APRIL.

The case on the Nusantara Fiber group

Draft-report sent for review: The Nusantara Fiber group, with various connections to RGE, has cleared 29,000 ha of forests since 2016. The case of Nusantara Fiber is also discussed in this report.

APRIL’s response:
"We reiterate that neither RGE nor APRIL Group’s supply chain have any connection to the six Nusantara Fiber Group companies mentioned in your draft report. Specifically, we disagree that the past employment at RGE by two of the three directors who set up the Nusantara Fibre Group constitutes a connection to RGE. We operate in a free and open employment market in which employees can choose to join or leave employers as they wish."

Aidenvironment:
Aidenvironment’s report had not asserted any connection between RGE or APRIL’s supply chain and the six Nusantara Fiber plantation companies. It had stressed that the industrial trees planted by Nusantara Fiber were still too small to harvest. Aidenvironment agrees with RGE that there is a free and open employment market in which employees can choose to join or leave employers as they wish. It is worth noting that one of the three directors was employed by RGE to prepare a management buyout of several palm oil companies. Additionally, companies owned by former RGE employees, such as the Sumatera Dinamika Utama group for industrial trees and Anugrah Superventure and DTK Opportunity for palm oil, show that RGE has closely interlinked supply chain relations with companies owned by former employees. Finally, Nusantara Fiber and PT Adindo Hutani Lestari (see below) have undisclosed owners, while many indicators suggest involvement with RGE.
Draft-report sent for review: PT Adindo Hutani Lestari is an RGE 'open market supplier'. Historical ownership also provides evidence of connections between Adindo and RGE. Moreover, Adindo is 40%-owned by the RGE-connected Sumatera Dinamika Utama group. The case of PT Adindo Hutani Lestari clearing 5,300 ha of forest since 2016 is also discussed in this report.

APRIL’s response:
We can again confirm, based on evidence from spatial analysis and ground verification, that no deforestation occurred in the areas highlighted by Auriga and that there was no breach of our SFMP 2.0 commitments. This is detailed in our comprehensive response to Auriga’s claims. In addition, we can again confirm that no shareholding in PT AHL has ever been held by the shareholders of APRIL or RGE.  

Aidenvironment:
Aidenvironment did not use Auriga data, but made its own deforestation calculations by overlaying satellite imagery on a forest cover map from Indonesia’s Ministry of Environment and Forestry. As mentioned in the draft report, APRIL’s disregard for HCS protection proved in contrast to its own commitments. On shareholding, the issue raised by RGE had been countered by Aidenvironment in the draft report sent for review, which is retained in this published report.

APRIL’s assurance

APRIL’s response:
‘External assurance is undertaken every year by an independent third party to assess compliance with SFMP 2.0 by APRIL and its suppliers. This is conducted by KPMG PRI and is commissioned by APRIL’s Stakeholder Advisory Committee. It details the compliance of all APRIL’s fiber supply sources, including PT. RAPP, the operating arm of APRIL, supply partners, open market suppliers and community fiber plantations and is shared with stakeholders and reported publicly.’

Aidenvironment:
In its latest report, published in November 2020, KPMG says: ‘Very little HCS information is currently available for supplier concessions.’ No spatial analysis was conducted for the KPMG report to address this shortcoming. Aidenvironment used various tools to indicate the clearing of HCS areas, as described in the methodology section of this report. The KPMG report also lacks any classification of plantation companies by company group, and therefore does not trace deforestation by plantation companies belonging to groups that supply to RGE.
CHAPTER 2

DEFORESTATION CASES INVOLVING TEN COMPANY GROUPS

The following ten case studies are about ten company groups that, together, cleared 133,000 hectares of forests inside industrial tree plantation concessions since 2016. Via their palm oil operations, the ten company groups are business partners of some of the world’s main palm oil refiners.
2.1 Djarum

Company profile

The Indonesian cigarette manufacturer Djarum is owned and controlled by brothers Robert Budi Hartono and Michael Bambang Hartono. According to Forbes, the brothers are Indonesia’s richest people with assets worth USD 38.8 billion. In addition to cigarettes, the conglomerate’s activities include banking (Bank Central Asia), agriculture (HPI Agro) and industrial tree plantations.

Industrial tree plantation operations

Djarum has three industrial tree plantation companies with a combined concession area of 229,494 ha in East and West Kalimantan provinces. Djarum subsidiary PT Agra Bareksa Indonesia has a wood chip mill for processing acacia trees in North Penajam Paser district in East Kalimantan.

Djarum plantation companies cleared 10,833 ha of forests from 2016 to March 2021. PT Silva Rimba Lestari (PT SRL) was the group’s biggest deforester accounting for 5,064 ha of deforestation during that timeframe. PT SRL operates an 88,000-hectare concession in Kutai Kartanegara district, East Kalimantan. As of March 2021, PT SRL was still actively clearing forests inside its concession area.

Djarum’s deforestation for industrial tree plantations led the Indonesian NGO Auriga Nusantara to file a complaint against the group with the Forest Stewardship Council (FSC) in December 2019. In December 2020, Djarum’s FSC-certified subsidiary withdrew its FSC certificate, thereby removing the basis of the complaint.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Silva Rimba Lestari</td>
<td>645</td>
<td>285</td>
<td>2,337</td>
<td>1,588</td>
<td>151</td>
<td>5,006</td>
<td>57</td>
<td>5,063</td>
</tr>
<tr>
<td>PT Wana Hijau Pesaguan</td>
<td>818</td>
<td>1,160</td>
<td>542</td>
<td>716</td>
<td>497</td>
<td>3,733</td>
<td>2</td>
<td>3,735</td>
</tr>
<tr>
<td>PT Fajar Surya Swadaya</td>
<td>1,778</td>
<td>220</td>
<td>20</td>
<td>9</td>
<td>7</td>
<td>2,034</td>
<td>1</td>
<td>2,035</td>
</tr>
<tr>
<td>Total</td>
<td>3,241</td>
<td>1,665</td>
<td>2,899</td>
<td>2,313</td>
<td>655</td>
<td>10,773</td>
<td>60</td>
<td>10,833</td>
</tr>
</tbody>
</table>
Figure 1 (top)
Deforestation by Djarum subsidiary PT Silva Rimba Lestari since 2016

Figure 2 (bottom)
December 2018 satellite image showing deforestation by PT Silva Rimba Lestari
**APRIL and APP confronted over buying Djarum pulpwood**

In August 2018, Djarum’s industrial tree plantation operations were targeted by a coalition of NGOs for clearing 20,000 and 12,800 ha of natural forests in East Kalimantan since 2013 through PT Fajar Surya Swadaya (PT FSS) and PT Silva Rimba Lestari (PT SRL), respectively. APP and APRIL had sourced plantation wood from the two companies in violation of their no-deforestation commitments.44

Responding to the NGO report, APRIL confirmed that PT FSS had begun supplying plantation wood to APRIL in June 2017. It mentioned that an assessment of High Conservation Value (HCV) areas had been conducted for PT FSS. However, it made no mention of High Carbon Stock (HCS) assessments, disregarding that protecting HCS areas is part of APRIL’s no-deforestation commitment.45 In October 2019, the NGO coalition released a follow-up report revealing that according to Indonesian Ministry of Environment and Forestry data, APRIL’s PT Riau Andalan Pulp & Paper had bought 305,617 m3 of wood from PT FSS in 2018.46 As of October 2020, PT FSS was still supplying pulpwood to APRIL, yet it no longer appeared on APRIL’s list of suppliers on 31 March 2021.47

APP took a different stance. In a verification report published in October 2018, it acknowledged that PT FSS had been clearing HCS areas. APP claimed it had ordered and received a pilot shipment before concluding its HCV/HCS assessments and suspending trade with PT FSS.48 Indonesian Ministry of Environment and Forestry data showed APP subsidiary PT Indah Kiat Pulp & Paper buying 18,538 m3 of wood from PT FSS in 2018. The chip mill belonging to PT Sarana Bina Semesta Alam, part of a company group that is a long-term pulpwood supplier to APP, had bought 25,099 m3 of wood in the same period.49 PT FSS does not appear on recent lists of APP suppliers.50 Unfortunately, no public information is available on suppliers to PT Sarana Bina Semesta Alam.
Palm oil operations

The Hartono brothers began planting oil palm in 2010 through PT Hartono Plantations Indonesia (HPI Agro). HPI Agro’s oil palm land bank currently amounts to more than 100,000 ha. The company’s plantations are all located in Landak and Sanggau districts in West Kalimantan. HPI Agro owns five palm oil mills and has a palm oil bulking station in West Kalimantan under the name of PT Nusaraya Permai.

Recently, HPI Agro built a sugar cane mill in East Sumba district, East Nusa Tenggara province, with a sugar cane crushing capacity of 12,000 tonnes a day. HPI Agro was one of the companies highlighted in Greenpeace’s 2018 Final Countdown report. Between May 2015 and March 2018, its subsidiary PT Gemilang Sawit Kencana had cleared 1,100 ha of peatland forests. In October 2019, the Indonesian NGO Link-AR Borneo released a report on HPI Agro, covering environmental and social issues concerning four HPI Agro plantation companies. Both reports led to grievance investigations by Sinar Mas (Golden Agri-Resources, GAR). HPI Agro reaffirmed its commitment to a land clearing moratorium in May 2018, stating it would add its NDPE commitments to its sustainability policy. However, as of August 2021, its NDPE commitments have yet to be published.

Wilmar initiated engagement with HPI Agro in December 2017 when Greenpeace raised allegations of non-compliance with Wilmar’s NDPE Policy. HPI Agro responded stating that it will commit to Wilmar’s NDPE policy requirements. In its response to a draft report sent for review, HPI Agro did not elaborate on Djarum’s industrial tree plantation operations. Regarding its palm oil operations, HPI Agro stated: ‘The HPI’s Cases mentioned in the report had been closed as we had clarified the cases to our supplier [NB: likely meant buyer] that there was no violation of NDPE policy, as the area was declared as a no peat area by the government and we had received the certificate of HGU over the land. Moreover, on the other cases we had clarified that the opening of land was conducted by the local farmer. We would like to reiterate that HPI-Agro takes the issues of sustainability very seriously and committed to NDPE Policy across all our operation and ensuring that all operation actions taken by the company in accordance with applicable laws and regulation.’

‘However, as of August 2021, its [HPI Agro’s] NDPE commitments have yet to be published.’
Palm oil supply chain

NDPE buyers of Djarum palm oil as of April 2021 are displayed in Table 5 below. Wilmar and Wings were the only processors/traders for which direct purchases could be found in available lists of supplying mills. In 2020, Wilmar sourced from palm oil mills belonging to PT Global Kalimantan Makmur and PT Peniti Sungai Purun, and from the PT Nusaraya Permai palm oil bulking station. Wilmar discloses PT Nusaraya Permai supplier mills in its list of indirect supplying mills.\(^6\) In its response to a draft report sent for review, Wilmar said it is not the only processor or trader purchasing from these mills or this bulking station.\(^5\) However, no other direct buyers could be found in available lists of supplying mills. Wings sources from Djarum subsidiary PT Saban Sawit Subur’s Sempidan mill.\(^6\) In its response to a draft report sent for review, Sime Darby said: ‘We would like to clarify that Djarum is no longer in our supply chain.’\(^6\) Sime Darby was deleted from the list of other buyers accordingly.

Direct purchases by refiners from Djarum palm oil operations could only be found for three of the five operational mills. This was the result of analysing lists of supplying mill published by refiners. Other purchases could be from so-called ‘leakage’ refiners in Indonesia, such as the Salim group, BEST group, Tunas Baru Lampung, Darmex Agro or Wings group. These are considered ‘leakage’ refiners because they either have no NDPE policies or fall short on NDPE implementation by lacking supply chain transparency and operational grievance systems.\(^6\)

The table below, and those included in subsequent case studies, shows the traders that source palm oil from Djarum. Via these traders Djarum appears in the supply chain of some of the world’s largest and best-known brands. These brands also have NDPE policies that commit them to deforestation-free supply chains.

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Known direct buyers</strong></td>
<td><strong>Wilmar, Wings</strong></td>
</tr>
<tr>
<td><strong>Other buyers (likely indirect)</strong></td>
<td><strong>AAK, ADM, BASF, Bunge, Cargill, Fuji Oil, HSA Group/Pacific Inter-Link, Itochu Corporation, Neste Oil (via Wilmar and Wings), Oleon NV, Pertamina</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Avon, Colgate-Palmolive, Danone, Friesland Campina, General Mills, Grupo Bimbo, Johnson&amp;Johnson, KAO, Kellogg’s, L’Oréal, Mars, Mondelēz, Nestlé, P&amp;G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Unilever, Upfield, Vandemoortele</strong></td>
</tr>
</tbody>
</table>

Table 5
Known buyers of palm oil from Djarum subsidiary HPI Agro
RGE-connected Nusantara Fiber

Company profile

The Nusantara Fiber group is a large industrial tree grower in Indonesia. It is ultimately owned by a company registered in the Polynesian island country of Samoa, a recognized secrecy jurisdiction. Two companies are known to be involved in the activities of the Nusantara Fiber group. These are the Hong Kong-based Argyle Street Management Limited (as investment manager) and the Malaysian company Acapalm Plantation Services Sdn Bhd (for plantation management).64

Nusantara Fiber’s Samoan holding company has a 100% daughter company that is also majority owner of Nusantara Fiber’s plantation companies. This is the Hong Kong-based entity Green Meadows Fiber Products Limited. Its three first directors were:65

• Mr. Chew Chong Pan. Mr. Chew Chong Pan used to work for RGE from 2007 until 2014, involved with the management buyout of plantation companies. He is presently one of the key employees and 50%-owner of Acapalm.66

• Mr. Sia Siew Kiang. Mr. (Willie) Sia Siew Kiang has been a high-ranking employee of the Royal Golden Eagle (RGE) group of companies since 2002, with expertise in accounting, taxation and corporate finance.67 In its response to draft report sent for review, Argyle stated that Mr. Sia Siew Kiang is an ex-employee of Acapalm who joined briefly and left in 2016.68

• Mr. Pit Tat Peh (Peter Peh). Mr. Peter Peh serves as a managing director of the Hong Kong-based asset manager Argyle Street Management Limited.69

In newspaper articles and social media accounts, the ‘Green Meadows’ group is mainly referred to as the Nusantara Fiber group.70

The Nusantara Fiber group is connected in various ways to Royal Golden Eagle (RGE), the large paper and palm oil conglomerate. Two of the three first directors of ‘Green Meadows’ were high ranking RGE employees. Another couple of the first directors are or were involved in various palm oil businesses totalling 27 palm oil mills and/or kernel crushers, and RGE is a customer of all 27 companies. Historical ownership records of Nusantara Fiber group’s companies reveal past control by entities that are part of or connected to RGE, before the companies were moved to secrecy jurisdictions. RGE has however stated that it does ‘not have relations with the six companies mentioned in the report as part of Nusantara Fiber group’.71
Industrial tree plantation operations

Nusantara Fiber has industrial tree plantations totalling 242,000 ha, spread over the provinces of Central, East and West Kalimantan. While Nusantara Fiber obtained most of its permits in the period 2009-2011, deforestation for the planting of industrial trees (acacia and eucalyptus) started in 2016. The company has yet to sell the wood from its industrial trees, as the trees are still too small.

In total, the Nusantara Fiber group cleared 29,300 ha of forests between 2016 and March 2021. The plantation companies responsible for most deforestation were PT Santan Borneo Abadi (14,100 ha) and PT Industrial Forest Plantation (11,200 ha). PT Santan Borneo Abadi has a concession area of 37,825 ha. PT Industrial Forest Plantation (PT IFP) is the group’s largest plantation company with a total concession area of 102,000 ha. More than half (5,900 ha) of PT IFP’s deforestation took place in 2020. Most of this deforestation occurred within the habitat of the critically endangered orangutan.72

In 2021, the Nusantara Fiber group has acquired the plantation company PT Permata Borneo Abadi, which cleared 850 ha of forest for an industrial tree plantation in 2020.73 The company was part of the RGE-connected Sumatera Dinamika Utama company group, which is a ‘long term partner’ supplying fibre to RGE.74 PT Permata Borneo Abadi has a permit area of 32,962 ha located in Malinau district in North Kalimantan province.75

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Santan Borneo Abadi</td>
<td>1,188</td>
<td>4,257</td>
<td>4,867</td>
<td>2,992</td>
<td>813</td>
<td>14,117</td>
<td>216</td>
<td>14,333</td>
</tr>
<tr>
<td>PT Industrial Forest Plantation</td>
<td>352</td>
<td>476</td>
<td>819</td>
<td>3,632</td>
<td>5,851</td>
<td>11,130</td>
<td>37</td>
<td>11,167</td>
</tr>
<tr>
<td>PT Mahakam Persada Sakti</td>
<td>1,216</td>
<td>649</td>
<td>61</td>
<td>46</td>
<td>34</td>
<td>2,006</td>
<td>1</td>
<td>2,007</td>
</tr>
<tr>
<td>PT Permata Hijau Khatulistiwa</td>
<td>232</td>
<td>112</td>
<td>544</td>
<td>117</td>
<td>3</td>
<td>1,008</td>
<td>0</td>
<td>1,008</td>
</tr>
<tr>
<td>PT Bakayan Jaya Abadi</td>
<td>20</td>
<td>0</td>
<td>12</td>
<td>573</td>
<td>187</td>
<td>792</td>
<td>0</td>
<td>792</td>
</tr>
<tr>
<td>PT Nusantara Kalimantan Lestari</td>
<td>11</td>
<td>7</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>29</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>3,019</td>
<td>5,501</td>
<td>6,306</td>
<td>7,363</td>
<td>6,893</td>
<td>29,082</td>
<td>254</td>
<td>29,336</td>
</tr>
</tbody>
</table>

*Table 6*
Deforestation by Nusantara Fiber subsidiary industrial tree plantation operations (ha)
Figure 3 (top)
Deforestation by Nusantara Fiber subsidiary PT Santan Borneo Abadi since 2016

Figure 4 (bottom)
June 2018 satellite image showing deforestation by PT Santan Borneo Abadi
Nusantara Fiber does not have an oil palm landbank of its own but is connected to several palm oil operations through two of the first directors of Green Meadows Fiber Products Limited. The directors, Mr. Chew Chong Pan and Mr. Pit Tat Peh (Peter Peh), are currently or formerly involved in at least 35 companies running oil palm operations as subsidiaries of DTK Opportunity, Sunny Vision Holdings, Sabeni Limited, Asagro Sdn Bhd and other companies known for their opaque structures. Of these 35 companies, 27 own palm oil mills and/or kernel crushers. Royal Golden Eagle (RGE), through its Apical group, is a customer of all 27. Other refiners buying directly have trade relations with fewer of these mills and kernel crushers.

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known direct buyers</td>
<td>RGE (Apical), Musim Mas, Wilmar, HSA Group/Pacific Inter-Link</td>
</tr>
<tr>
<td>Other buyers (likely indirect)</td>
<td>AAK, ADM, Bunge, Cargill, COFCO International, Fuji Oil, Itochu Corporation, KLK, Lípidos Santiga, Louis Dreyfus, Neste Oil, Nisshin OilliO, Olam, Oleon NV, Pertamina, Sime Darby, Avon, Colgate-Palmolive, Danone, Friesland Campina, General Mills, Grupo Bimbo, Johnson&amp;Johnson, KAO, Kellogg’s, L’Oréal, Mars, Mondelēz, Nestlé, P&amp;G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Unilever, Upfield, Vandemoortele</td>
</tr>
</tbody>
</table>

Table 7
Known buyers of palm oil from Nusantara Fiber directors
RGE-connected PT Adindo Hutani Lestari

The industrial tree plantation company PT Adindo Hutani Lestari (Adindo) is owned by the Indonesian companies PT Kreasi Lestari Pratama (60%) and PT Anugrah Hijau Lestari (40%).

PT Kreasi Lestari Pratama has undisclosed owners. It is owned by two companies, East Globe Logistic Corp (81.6%) and Pacific Fiber Limited (18.4%), both of which are registered in the recognized secrecy jurisdiction of the British Virgin Islands. Historical ownership records of PT Kreasi Lestari Pratama, before it moved to secrecy jurisdictions, connect it to Royal Golden Eagle (RGE).  

PT Anugrah Hijau Lestari is part of the Sumatera Dinamika Utama group, which is also connected to RGE. It is one of APRIL's 'long-term partner' fibre suppliers. Together, these so-called 'long-term partners' have a combined concession area of 570,000 ha, of which around 400,000 ha (70 percent) belong to the Sumatera Dinamika Utama group. This group is owned by several former employees of RGE, and its plantation companies have overlapping directors and commissioners. The former RGE employees who own the Sumatera Dinamika Utama group also own palm oil operations under the name Anugrah Superventure.

In a September 2020 response to an inquiry by a coalition of Indonesian NGOs known collectively as the Koalisi Anti Mafia Hutan, Adindo stated that its two shareholding companies are not affiliated with RGE. However, Adindo did not reply in detail regarding several connections between PT AHL and RGE identified by the NGO coalition. The NGOs, for example, pointed out that commissioners, directors and shareholders in PT Adindo's current ownership structure (Mr. Protasius Daritan, Mr. Hartanto Wisstra, Mr. Dedy Sutanto and Mr. Ferdinand Flores) have links with RGE, APRIL and/or RGE-related companies. Adindo simply replied saying the four individuals had never served as commissioners, directors or shareholders in Adindo, with no mention of their roles in the companies owning Adindo.
Industrial tree plantation operations

PT Adindo Hutani Lestari (Adindo) has a concession area of 182,000 ha in North Kalimantan. It is an ‘open market supplier’ to APRIL.84

In October 2020, an NGO coalition published a report about deforestation conducted by Adindo. The coalition had detected 7,291 ha of deforestation during the period from June 2015 to August 2020. APRIL’s response was included in the NGO report. According to APRIL, there had been no breach of its sustainability commitments. It did respond to NGO allegations of clearing of High Conservation Value areas and protected peat, but not to the deforestation figures presented in the report. APRIL’s sustainability policy clearly states that it (and its suppliers) will only develop areas that are not forested, as identified through independent peer-reviewed High Carbon Stock (HCS) assessments. The NGOs reported that to the best of their knowledge, no HCS assessment had been conducted for the Adindo concession.85

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Adindo Hutani Lestari</td>
<td>452</td>
<td>1,562</td>
<td>1,485</td>
<td>562</td>
<td>1,246</td>
<td>5,307</td>
<td>28</td>
<td>5,335</td>
</tr>
</tbody>
</table>

Table 8
Deforestation by PT Adindo Hutani Lestari (ha)

Figure 5
Deforestation by PT Adindo Hutani Lestari since 2016
Royal Golden Eagle’s palm oil operations

Royal Golden Eagle (RGE) runs its palm oil operations through the companies Asian Agri and Apical. Asian Agri is its oil palm grower, which manages a planted landbank of 158,000 ha and operates 22 palm oil mills. Apical is its trader/refiner, which has five refineries (in Sumatra, Jakarta, China and East Kalimantan), one kernel crushing plant, two oleochemical plants and three biodiesel plants. Both Asian Agri and Apical have NDPE policies and are members of the Roundtable on Sustainable Palm Oil (RSPO).

Anugrah Superventure’s palm oil operations

Anugrah Superventure is a palm oil company with 30 mills and/or kernel crushers. It is in the world’s top-ten company groups with the largest numbers of palm oil mills. Most palm oil refiners, on their lists of supplying mills, still do not recognize Anugrah Superventure as a company group. Most of its mills are located in Sumatra with some in Kalimantan.

One section of Anugrah Superventure has largely the same company structure as the Sumatera Dinamika Utama group. Its plantation companies also have overlapping directors and commissioners. In fact, the same former RGE employees who own the Sumatera Dinamika Utama group also own palm oil operations under the name Anugrah Superventure. Another section of Anugrah Superventure has a central role for the Malaysian company Asagro Sdn Bhd.

Asagro Sdn Bhd is 50%-owned by Brighton Investment Group Ltd. According to the International Consortium of Investigative Journalists (ICIJ) Offshore Leaks Database, Mr. Sukanto Tanoto, RGE’s founder and chairman, is a shareholder of Brighton Investment Group Ltd. As information in the ICIJ database is current through 2010, the ownership of Brighton Investment Group Ltd may have changed.

Anugrah Superventure is a palm oil mill company rather than an oil palm grower. It establishes mills and kernel crushers in strategic locations. It is unclear whether Anugrah Superventure complies with provisions in Indonesian law requiring agreements with growers to operate a mill. The company has some issues with mill effluent affecting communities surrounding its mills and involvement in land conflicts.
Palm oil supply chain

RGE (Apical) is the main buyer of produce from Asian Agri and Anugrah Supernventure’s palm oil operations. Other refiners also buy directly from Asian Agri and Anugrah Supernventure, but in smaller volumes. The palm oil supplied to main refiners by RGE (Asian Agri) and its connected company Anugrah Supernventure are a source of leverage that main refiners have over RGE. The palm oil refiners should engage with RGE over the deforestation by PT Adindo Hutani, to which RGE is connected and from which RGE (APRIL) sources produce.

RGE (Apical) buys from 29 of Anugrah Supernventure’s 30 mills and/or kernel crushers. In its response to a draft report sent for review, KLK Oleo said that Apical had responded to them saying four mills: Adinusa Agro Lestari, Borneo Sawit Persada, Mandiri Sawit Sejahtera and Subur Agro Sejahtera were not in Apical’s supply chain. Indeed, the list of mills sent with the draft report was incorrect as Adinusa Agro Lestari, Mandiri Sawit Sejahtera and Subur Agro Sejahtera do not have mills. Anugrah Supernventure does have 30 mills and/or kernel crushers, but in some cases two mills and/or kernel crushers fall under the same company name. Additional information validates that Apical does not source from the Borneo Sawit Persada mill.

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Known direct buyers</strong></td>
<td></td>
</tr>
<tr>
<td>RGE (Apical), Musim Mas, Mewah, KLK</td>
<td></td>
</tr>
<tr>
<td>Avon, Colgate-Palmolive, Danone, Ferrero, Friesland Campina, General Mills, Grupo Bimbo, Johnson &amp; Johnson, KAO, Kellogg’s, L’Oréal, Mars, Mondelēz, Nestlé, P&amp;G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Unilever, Upfield, Vandemoortele</td>
<td></td>
</tr>
<tr>
<td><strong>Other buyers (likely indirect)</strong></td>
<td></td>
</tr>
<tr>
<td>AAK, ADM, BASF, Bunge, Cargill, COFCO, Fuji Oil, HSA Group/Pacific Inter-Link, Itochu Corporation, Lipidos Santiga, Louis Dreyfus, Nestle Oil, Nisshin OilliO, Olam</td>
<td></td>
</tr>
<tr>
<td>AAK, ADM, BASF, Bunge, Cargill, COFCO, Fuji Oil, Itochu Corporation, Lipidos Santiga, Louis Dreyfus, Nestle Oil, Nisshin OilliO, Olam, Sime Darby</td>
<td></td>
</tr>
</tbody>
</table>

Table 9
Known buyers of palm oil from Asian Agri

Table 10
Known buyers of palm oil from Anugrah Supernventure
2.4

Rimbunan Hijau

Company profile

Rimbunan Hijau, translated by the company into ‘forever green’, is a conglomerate of companies active in several countries and business sectors including forestry, oil palm, media, oil and gas, mining, fisheries, information technology, property and hotel/tourism/leisure. Tan Sri Datuk Tiong Hiew King, now 86 years old, founded Rimbunan Hijau in 1975. He and his family members own RH and many family members hold management positions in Rimbunan Hijau companies. Public information on Rimbunan Hijau operations is scarce, apart from three companies listed on the Malaysian stock exchange.

Industrial tree plantation operations

Rimbunan Hijau has licenses for planted forests covering an estimated 355,000 ha in the Malaysian state of Sarawak. Deforestation for industrial tree plantation development has amounted to 30,109 ha since 2016. The Malaysian stock exchange listed Rimbunan Hijau subsidiary Jaya Tiasa Holdings Berhad accounted for almost half of this deforestation. During the 2016-2020 period, despite land clearing, Jaya Tiasa’s planted area only increased from 31,561 to 34,993 ha. The company refers to its plantation forest operations as ‘reforestation’, yet in practice it equates to deforestation.

A draft report was sent for review to Jaya Tiasa’s Investor Relations and to another retrieved contact. No other contact information could be found online. There has been no response to the outreach.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LPF/0024 Bahau Linau (Jaya Tiasa)</td>
<td>2,368</td>
<td>2,782</td>
<td>1,650</td>
<td>2,673</td>
<td>1,605</td>
<td>11,078</td>
<td>11,078</td>
<td></td>
</tr>
<tr>
<td>LPF/0026</td>
<td>2,193</td>
<td>530</td>
<td>1,291</td>
<td>2,155</td>
<td>1,290</td>
<td>7,459</td>
<td>542</td>
<td>8,001</td>
</tr>
<tr>
<td>LPF/0036</td>
<td>1,820</td>
<td>709</td>
<td>762</td>
<td>370</td>
<td>767</td>
<td>4,428</td>
<td>284</td>
<td>4,712</td>
</tr>
<tr>
<td>LPF/0023 Merirai Balui (Jaya Tiasa)</td>
<td>302</td>
<td>830</td>
<td>1,509</td>
<td>613</td>
<td>3,254</td>
<td>3,254</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPF/0037 Baram Tinjar</td>
<td>752</td>
<td>1,162</td>
<td></td>
<td></td>
<td>1,914</td>
<td>1,914</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPF/0025</td>
<td>126</td>
<td>643</td>
<td></td>
<td></td>
<td>769</td>
<td>769</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPF/0030 Garu Skyline</td>
<td></td>
<td></td>
<td>382</td>
<td>382</td>
<td>382</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,507</strong></td>
<td><strong>5,718</strong></td>
<td><strong>5,695</strong></td>
<td><strong>7,089</strong></td>
<td><strong>4,275</strong></td>
<td><strong>29,284</strong></td>
<td><strong>826</strong></td>
<td><strong>30,110</strong></td>
</tr>
</tbody>
</table>

Table 11

Deforestation by Rimbunan Hijau industrial tree plantation operations (ha)
Figure 6 (top)
Deforestation by Rimbunan Hijau subsidiary LPF/0024 Bahau Linau (Jaya Tiasa) since 2016

Figure 7 (bottom)
June 2019 satellite image showing deforestation by Rimbunan Hijau subsidiary LPF/0024 Bahau Linau (Jaya Tiasa)
Logging operations

Rimbunan Hijau (RH) has extensive logging operations in Papua New Guinea, Sarawak, New Zealand and Gabon. The company is likely involved in logging operations in more countries; however, no other information on its current operations are available to the public. In August and September 2018, respectively, the NGOs Global Witness and Oakland Institute published reports on tax evasion/illegal logging in Papua New Guinea, involving RH. Rimbunan Hijau’s logging activities in PNG appear to be decreasing.

The timber processing company PT Wapoga Mutiara Industries operating in Biak Numfor district, West Papua province, is connected to Rimbunan Hijau. The company produces sawn wood, plywood and veneer and holds an FSC certificate. The company Kinley Trading Limited, registered in the British Virgin Islands secrecy jurisdiction, is the ultimate majority owner of PT Wapoga Mutiara Industries through its 100% owned Hong Kong-based daughter company Baines Limited. Members of the Tiong family appear as directors or commissioners in company registry files for both Baines Limited and PT Wapoga Mutiara Industries.

Palm oil operations

Rimbunan Hijau is by far the largest private palm oil company in Sarawak. Three of its subsidiaries, Jaya Tiasa Holdings Berhad, Rimbunan Sawit Berhad and Subur Tiasa Holdings Berhad, have oil palm operations and are listed on the Malaysian stock exchange. Rimbunan Hijau owns other oil palm plantations and palm oil mills in addition to these operations.

In total, Rimbunan Hijau has 11 palm oil mills in Sarawak and one in Papua New Guinea. Its total oil palm landbank is estimated at 308,000 ha, 207,000 ha of which are planted with oil palm. This puts Rimbunan Hijau in the world’s top 20 largest oil palm growers. Since 2017, Rimbunan Hijau has been operating a palm oil refinery in Bintulu, Sarawak. The refinery is among the so-called ‘leakage’ refineries as it has no NDPE policy or disclosed list of supplying mills.

Rimbunan Hijau company Gilford Limited has a 42,400-hectare oil palm concession area on New Britain Island in Papua New Guinea, which according to the NGO Global Witness, cleared approximately 21,900 ha of mostly intact rainforest from 2011 to February 2017. In June 2018, communities affected by oil palm development published an economic evaluation of the damages suffered as a result of wrongful appropriation of customary land. Losses suffered from 2011 to 2017 were estimated at PGK 1.1 billion (equivalent to USD 250 million). Wilmar engaged with Gilford in September 2018, and Gilford committed to a moratorium on land clearing.

In Sarawak, Subur Tiasa’s 60%-owned company Victory Pelita Kabah Sdn Bhd cleared 1,800 ha of forests between March 2016 and July 2018.
Rimbunan Hijau’s oil palm concession in East New Britain province of Papua New Guinea.
More than 20,000 hectares of mostly intact rainforest were cleared, for oil palm.

Planet.com satellite imagery
Rimbunan Hijau has three known direct buyers: Wilmar, BLD Plantation and Sarawak Oil Palms. Mewah was also listed as a direct buyer in a draft report. However, in its response to the draft report sent for review, Mewah said: ‘RH or Gilford Ltd is not a direct supplier to Mewah. We were linked through indirect CPKO purchase from a Sarawak’s supplier who ship CPKO from East Malaysia to Peninsular Malaysia.’ As Gilford operates in Papua New Guinea, the shipping from East Malaysia was unclear. Nonetheless, Mewah was deleted from the direct buyers list, and moved to the list of other buyers.

Palm oil supply chain

Rimbunan Hijau is by far the largest private palm oil company in Sarawak. Three of its subsidiaries have oil palm operations and are listed on the Malaysian stock exchange.

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known direct buyers</td>
<td>Wilmar, BLD Plantation, Sarawak Oil Palms</td>
</tr>
<tr>
<td>Other buyers (likely indirect)</td>
<td>AAK, ADM, BASF, Bunge, Cargill, COFCO, Fuji Oil, IOI, KLK, Louis Dreyfus, International, Mewah, Nisshin OilliO, Olam, HSA Group/Pacific Inter-Link, Sime Darby</td>
</tr>
<tr>
<td></td>
<td>Avon, Danone, Friesland Campina, General Mills, Grupo Bimbo, Johnson&amp;Johnson, KAO, Kellogg’s, L’Oréal, Mars, Mondeléz, Nestlé, P&amp;G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Unilever, Upfield, Vandemoortele</td>
</tr>
</tbody>
</table>

Table 12
Known buyers of palm oil from Rimbunan Hijau operations
Samling

Company profile

Samling is a Malaysian conglomerate owned by the Yaw family, including father and son Yaw Teck Seng and Yaw Chee Ming. Its main businesses are timber, palm oil, infrastructure/construction and property development. Samling’s forestry concessions (logging and industrial tree plantations) total 1.4 million ha in Malaysia. Samling’s palm oil company is Glenealy Plantations.

Industrial tree plantation operations

Samling holds several licenses for planted forests (LPFs) in Sarawak for concession areas that have experienced 25,600 ha of deforestation since 2016 (see Table 13). In its response to a draft report sent for review, Samling contested the figures presented in the table stating that only part of the deforestation was due to industrial tree plantation development. It stated: 'Based on our records, the total area prepared for ITP in aggregate in the mentioned areas from January 2016 to March 2021 was 9,838 ha. There are areas in the mentioned LPFs that are used by local communities, either in the course of developing their areas of shifting agriculture or in continuing to practice the cycle of shifting cultivation.'

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LPF/0007 Jelalong</td>
<td>1,036</td>
<td>2,671</td>
<td>1,891</td>
<td>1,349</td>
<td>284</td>
<td>7,232</td>
<td>135</td>
<td>7,367</td>
</tr>
<tr>
<td>LPF/0021 Paong</td>
<td>4,951</td>
<td>263</td>
<td>5,214</td>
<td>5,214</td>
<td></td>
<td>5,214</td>
<td></td>
<td>5,214</td>
</tr>
<tr>
<td>LPF/0005 Kanaya</td>
<td>2,135</td>
<td>657</td>
<td>674</td>
<td>624</td>
<td>54</td>
<td>4,144</td>
<td>29</td>
<td>4,173</td>
</tr>
<tr>
<td>LPF/0006 Lana</td>
<td>875</td>
<td>1,224</td>
<td>669</td>
<td>649</td>
<td>205</td>
<td>3,622</td>
<td>77</td>
<td>3,699</td>
</tr>
<tr>
<td>LPF/0008 Batu Belah</td>
<td>465</td>
<td>1,126</td>
<td>965</td>
<td>184</td>
<td>241</td>
<td>2,980</td>
<td></td>
<td>2,980</td>
</tr>
<tr>
<td>LPF/0020 Layun</td>
<td>825</td>
<td>978</td>
<td>407</td>
<td></td>
<td></td>
<td>2,210</td>
<td></td>
<td>2,210</td>
</tr>
<tr>
<td>Total</td>
<td>9,462</td>
<td>6,766</td>
<td>4,199</td>
<td>3,784</td>
<td>1,191</td>
<td>25,402</td>
<td>241</td>
<td>25,643</td>
</tr>
</tbody>
</table>

Table 13
Deforestation by Samling industrial tree plantation operations (ha)
Since late 2018, the US-based NGO Mighty Earth has highlighted several deforestation cases linked to Samling in its Rapid Response reports. However, Samling has denied deforesting for oil palm development inside the Jelalong and Lana estates. While doubts remained over whether the deforestation was for oil palm or industrial trees or due to community farming practices, by May 2020, many processors/traders and consumer goods companies had suspended trade with Samling. The suspensions led Samling to adopt an NDPE policy for Glenealy Plantations oil palm operations. In its response to the draft report sent for review, Samling stated that the areas inside the Lana LPF concession were designated for industrial tree plantation development, as approved by Forest Department Sarawak. According to Samling’s records, the total area prepared for this development between January 2016 and March 2021 was 3,250 ha. According to Samling, no areas were prepared for industrial tree plantation development inside the Jelalong LPF. The company did not elaborate on the causes of the 7,400 ha of deforestation inside the Jelalong LPF, apart from remarking generally that local communities use parts of all its LPFs.

Samling Group issued a Responsible Forest Management Policy in February 2021, which applies to ‘all forests managed by the Group and its subsidiaries.’ The policy does not meet NDPE market standards for industrial tree plantations as it fails to include aspects such as protection of peatlands and High Carbon Stock (HCS) areas and zero-burning. Through the policy, Samling has only committed to protecting forests when they constitute parts of ‘undisturbed natural ecosystems.’

**Figure 8**
Deforestation in Samling’s LPF/0007 Jelalong since 2016
In its response to the draft report sent for review, Samling elaborated extensively on statements made in the draft regarding its logging operations.\textsuperscript{127} For readability, Samling’s response has been placed in Appendix 3 of this report.

**Logging operations**

In its response to the draft report sent for review, Samling elaborated extensively on statements made in the draft regarding its logging operations.\textsuperscript{127} For readability, Samling’s response has been placed in Appendix 3 of this report.

**Palm oil operations**

Glenealy has palm oil operations in Malaysia (Sarawak and Sabah) and Indonesia (mainly North Kalimantan). The company claims to have an oil palm planted area of 40,000 ha.\textsuperscript{128} It has three mills in Sarawak: Belaga, Lana and Jelalong, and another mill, Timora, in Sabah. Glenealy Plantations adopted an NDPE policy in April 2020.\textsuperscript{129}

In September 2018, Greenpeace highlighted Samling for clearing 4,492 ha of forests in North Kalimantan and Papua New Guinea between 2015 and 2018.\textsuperscript{130} Samling’s project in Papua New Guinea was abandoned/divested in 2017 and announced officially in early 2018.\textsuperscript{131}

According to a report by a coalition of NGOs, Glenealy Plantations cleared at least 2,400 ha, including villagers’ orchards, for an oil palm project in Myanmar during the 2011-2016 period.\textsuperscript{132} In its response to a draft report sent for review, Glenealy Plantations categorically denied clearing 2,400 ha, including villagers’ orchards. Glenealy Plantations said it had completed an HCV assessment for the project, which included a planted area of approximately 1,470 ha, in early 2018 before the project divestment.\textsuperscript{133}

Glenealy Plantations adopted an NDPE policy in April 2020.\textsuperscript{134} In its response to the draft report sent for review, it stated: ‘In addition, in response to the various allegations of deforestation for its oil palm development, Glenealy Plantations has...’
conducted an independent Land Use Change Analysis (LUCA) assessment in Glenealy Plantations’ oil palm concessions. With the assessment completed, Glenealy has made a self-declaration of HCS Loss and prepared a NDPE Implementation Plan. The interim management action plan for a Recovery Plan is now being prepared with the assistance of a consultant and will be finalized very soon. Glenealy Plantations will upload the self-declaration of HCS Loss document, the NDPE Implementation Plan and the interim management action plan on its website once the Recovery Plan is completed soon. In all new development areas Glenealy Plantations commits to undertake the integrated High Conservation Value (HCV) - High Carbon Stock (HCS) Assessment to identify areas having globally recognized HCV and HCS attributes. The identification procedure will be guided by the HCRN Common Guidance and HCSA Toolkit. As such, there will be no future development in any HCV and HCS area identified. The HCV and HCS areas identified will be protected and managed, contributing to global conservation efforts.135

Glenealy Plantations also said it had ‘achieved full MSPO certifications for Malaysian estates and mills’ and ‘took part for the first time in SPOTT assessment as part of our commitment to ESG issues. The marked improvement can be seen from the previous year. We hope to improve on the scoring annually’.136

Palm oil supply chain

Based on the latest available supply chain information, companies listed in Table 14 below source palm oil/palm kernel oil from Samling. In early 2020, several refiners, including Wilmar137 and Sime Darby,138 suspended trade with Samling. Only one company group – BLD Plantation – could be identified as buying directly from Samling (Glenealy Plantations).139

Though KLK said it had also suspended trade with Samling,140 supplies could still be found in its mill list for the October 2020 - March 2021 period.141 However, in its response to a draft report sent for review, KLK said Samling had been named erroneously on the KLK Premier Oils supplier list for October 2020 to March 2021, and that sourcing from Samling had already stopped in April 2020.142 KLK was deleted from the list of direct buyers accordingly.

In its response to a draft report sent for review, Itochu Corporation said: ‘We confirmed that our direct suppliers do not source from Samling. Therefore, Itochu’s involvement as 'likely indirect’ is not true, so kindly exclude our name.’143 Itochu Corporation was subsequently deleted from the list of other buyers.

As Rimbunan Hijau owns the only large refinery in Sarawak that does not disclose its suppliers, it could also be among Samling’s direct buyers. However, this remains uncertain.

Table 14

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known direct buyers</td>
<td>BLD Plantation</td>
</tr>
<tr>
<td>Other buyers (likely indirect)</td>
<td>AAK, ADM, BASF, COFCO International, HSA Group/Pacific Inter-Link, IOI, Louis Dreyfus, Mewah, Nisshin OilliO, Olam, Oleon NV</td>
</tr>
</tbody>
</table>

Avon, Danone, Friesland Campina, General Mills, Grupo Bimbo, Johnson&Johnson, KAO, Kellogg’s, L’Oréal, Mondelēz, Nestlé, P&G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Upfield, Vandemoortele
Nusantara Fiber, PT Industrial Forest Plantation
Indonesia, January 2021
© Aidenvironment
Case 2.5 in Cross Commodities Report
Shin Yang

The Shin Yang group of companies, fully owned by Mr. Ling Chiong Ho and family, is one of the largest forestry companies in Sarawak. Shin Yang’s main businesses are timber, palm oil, shipping, shipbuilding, property development and civil engineering. Mr. Ling Chiong Ho is chairman of both Shin Yang and the Shin Yang-related oil palm company Sarawak Oil Palms (SOP).

Industrial tree plantation operations

Shin Yang mentions several industrial tree plantation operations on its website. The operations by Zedtee Sdn Bhd and Shin Yang Forestry listed in Table 15 below do not appear on its website. Shin Yang has cleared 14,340 ha of forests for industrial tree plantation development since 2016. The company provides no information on the extent of its industrial tree planted area.

Sarawak Oil Palms (SOP) responded in detail to a draft report sent for review. Shin Yang did not receive a draft report, and SOP did not respond to allegations of deforestation by Shin Yang for industrial tree plantation development.

However, in its response to a draft report sent for review, KLK Oleo said it had received an update from SOP on Zedtee Sdn Bhd, which had clarified clearance after 2018 was for industrial tree plantation development, as approved by Forest Department Sarawak. It also provided a breakdown of LPF/0039 functions. LPF/0039 accounts for 23,000 ha, of which the Zedtee area comprises 19,000 ha. LPF/0039’s 23,000 ha comprises: allocation for industrial tree plantation (9,400 ha); community use areas (8,000 ha); Permanent Forest Estate for Anap Protected Forest (2,200 ha); conservation areas (1,700 ha); and a natural forest buffer along the boundary with Shin Yang’s Anap-Muput FMU (1,700 ha). The area allocated for industrial trees was said to comprise ‘seriously degraded forests.’ Zedtee Sdn Bhd finally stated that it has maintained the highest standards of social and environmental management, which were subject to intensive evaluation by national and international stakeholders and emulated extensively by peers in Sarawak.

Table 15
Deforestation by Shin Yang industrial tree plantation operations (ha)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LPF/0017 Long Lama</td>
<td>2,236</td>
<td>480</td>
<td>1,389</td>
<td>828</td>
<td>4,933</td>
<td>4,933</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPF/0039 Zedtee Sdn Bhd</td>
<td>307</td>
<td>1,456</td>
<td>700</td>
<td>1,692</td>
<td>486</td>
<td>4,641</td>
<td>138</td>
<td>4,779</td>
</tr>
<tr>
<td>LPF/0039 Shin Yang Forestry</td>
<td>814</td>
<td>83</td>
<td>920</td>
<td>1,006</td>
<td>370</td>
<td>3,193</td>
<td></td>
<td>3,193</td>
</tr>
<tr>
<td>LPF/0019 Masama</td>
<td>304</td>
<td>133</td>
<td></td>
<td></td>
<td>437</td>
<td></td>
<td></td>
<td>437</td>
</tr>
<tr>
<td>LPF/0018 Penyuan</td>
<td></td>
<td></td>
<td></td>
<td>602</td>
<td>210</td>
<td>812</td>
<td>187</td>
<td>999</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,661</td>
<td>2,019</td>
<td>3,142</td>
<td>4,128</td>
<td>1,066</td>
<td>14,016</td>
<td>325</td>
<td>14,341</td>
</tr>
</tbody>
</table>
Figure 10 (top)
Deforestation by Shin Yang subsidiary LPF/0039 Zedtee since 2016

Figure 11 (bottom)
June 2020 satellite image showing deforestation by Shin Yang subsidiary LPF/0039 Zedtee
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers | Aidenvironment

The Shin Yang-related company Sarawak Oil Palms (SOP) is the second largest private palm oil company in Sarawak after Rimbunan Hijau.

Logging operations

Shin Yang currently holds several logging concessions in Sarawak. On its website, it mentions the Danum Forest Management Unit (200,000 ha) and Linau FMU (73,000 ha). In addition, it holds the Anap-Muput FMU (84,000 ha). In October 2017, the leader of an indigenous Penan community in Long Jaik, Sarawak delivered an urgent plea to Japanese Prime Minister Shinzo Abe to halt Shin Yang’s use of plywood from Shin Yang to construct a new national stadium for the 2020 Olympic Games in Tokyo. Shin Yang had been logging for almost two decades in the Long Jaik region, and had previously been implicated in illegal logging, rainforest destruction, and human rights abuses.

Palm oil operations

Shin Yang has interests in an oil palm landbank of at least 91,000 ha, of which 33,000 ha are 100%-owned. Shin Yang has no NDPE policy, and from 2016 to June 2019, its plantation companies Dataran Linau Sdn Bhd and Linau Sinar Sdn Bhd together cleared at least 4,000 ha of forests for oil palm. The Shin Yang-related company Sarawak Oil Palms (SOP) is the second largest private palm oil company in Sarawak after Rimbunan Hijau. At the end of 2020, SOP had a 122,000-ha oil palm area under lease, some 88,000 ha of which was planted with oil palm. SOP has seven palm oil mills and owns a refinery, kernel crushing plant and palm oil diesel plant. The refinery has an annual crude palm oil (CPO) processing capacity of 450,000 tonnes. SOP is listed on the Malaysian stock exchange. As of 20 April 2021, Shin Yang had a 28.5% shareholding in SOP, with Mr. Ling Chiong Ho holding individual ownership of 7.0%. Though SOP has no NDPE policy, it is transparent about its sourcing and has an operational grievance system.

In its response to a draft report sent for review, SOP emphasized that Shin Yang has no control or influence over any SOP operations. According to SOP, no single investor or chairperson is in a position to dictate decisions by SOP’s board. Furthermore, it stated that SOP, independently from Shin Yang, recently made two major decisions: to join RSPO and to be fully RSPO-certified, and to establish an NDPE policy in 2019. SOP stated that the nature of these decisions is clearly unfavourable to Shin Yang’s oil palm business, and if Shin Yang had any control over SOP, then these decisions would not have been allowed to proceed. As of June 2021, SOP is not registered as an RSPO member on the RSPO website. This could be because RSPO has yet to make a decision on whether Shin Yang’s oil palm operations should be included in the company group.

In its response to a draft report sent for review, SOP acknowledged that Shin Yang is one of its suppliers. It also noted that Shin Yang had signed a declaration to comply with SOP’s NDPE policy and had pledged to a moratorium by 31 December 2020.
Palm oil supply chain

SOP has recently bought RM 66 million worth of fresh fruit bunches (FFBs) from Shin Yang plantation companies. These transactions represent the actual value from the date of SOP’s last AGM to 15 April 2021. SOP also bought RM 24 million worth of FFBs from the company Puncak Niaga, which has also been involved in recent deforestation for oil palm.158

Three direct buyers of palm oil from Sarawak Oil Palms (SOP) could be identified: Cargill,159 KLK160 and Sinar Mas.161

Palm oil import data from India show Sinar Mas’ Indian refinery Gemini Edibles Fats India Pvt Ltd importing 8,400 tonnes of CPO from Bintulu port in November 2019.162 The exporter was Sarawak Oil Palms’ trade arm Asia Oils Pte Ltd. Palm oil sourcing by Gemini Edibles Fats India Pvt Ltd. is not included in Golden Agri-Resources’ publicly available supply chain map.

In its response to the list of direct buyers from SOP in a draft report sent for review, Wilmar stated: ‘The list of companies noted here is far from complete. There are many more companies that are directly buying from Sarawak Oil Palms.’163

There are many more companies that are directly buying from Sarawak Oil Palms.‘

Table 16
Known buyers of palm oil from Sarawak Oil Palms

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known direct buyers</td>
<td>Cargill, KLK, Sinar Mas</td>
</tr>
<tr>
<td>Other buyers (likely indirect)</td>
<td>AAK, ADM, BASF, Bunge, Fuji Oil, KLK, Lipidos Santiga, Louis Dreyfus, Olam, Oleon NV, HSA Group/Pacific Inter-Link, Sime Darby</td>
</tr>
<tr>
<td></td>
<td>Avon, Danone, Friesland Campina, General Mills, Grupo Bimbo, Johnson&amp;Johnson, Kellogg’s, Mars, Mondelēz, Nestlé, P&amp;G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Unilever, Upfield, Vandemoortele</td>
</tr>
</tbody>
</table>
Young Orangutans hugging in the orangutan reintroduction area Nyaru Menteng near Palangka Raya Central Kalimantan, April 2017
© Markus Mauthe / Greenpeace
Alas Kusuma

Alas Kusuma is an Indonesian company group that has been involved in logging since the 1970s. Currently, it also holds industrial tree plantations and oil palm concessions. Alas Kusuma has no website and it does not have an NDPE policy. In the latest SPOTT transparency assessment, Alas Kusuma was ranked in the very low category with a total score on only 10.6%.

Industrial tree plantation operations

Alas Kusuma’s PT Mayawana Persada operates an industrial tree plantation concession covering 137,000 ha in Ketapang and North Kayong districts in West Kalimantan. In 2016, an expert group of scientists found that most of the area is orangutan habitat. Between 2016 and March 2021, 5,900 ha of forests were cleared inside the concession, a small part of which was caused by third-party bauxite mining.

In May 2021, as an email response to questions posed by the media outlet Mongabay, Alas Kusuma denied its involvement in clearing orangutan habitat, stating: ‘There’s no deforestation activity in orangutan’s habitat by PT Mayawana Persada. This can be seen from the company’s working map and the company’s activities on the ground, which have taken into account the results of studies on orangutan and high conservation values areas.’ Mayawana Persada said the studies were conducted by a consultancy called Ecology and Conservation Center for Tropical Studies (Ecositrop) stating: ‘The studies were to minimize the impact of the industrial forest plantation on the orangutan population in PT Mayawana Persada’s concession.’ The studies have not been made public.

PT Mayawana Persada was the second largest deforester in Indonesia’s pulp and paper sector in 2020, and its clear-cutting activities are still ongoing in 2021. The latest (September 2020) Indonesian government-instigated audit document on PT Mayawana Persada timber legality verification offers very little information on any conservation efforts. In 2014, the NGO Greenomics had already detailed PT Mayawana Persada failures to preserve High Conservation Value areas.

Since 2009, Alas Kusuma has been involved in a joint venture with the Japanese group Sumitomo Forestry concerning 145,000 ha of industrial tree plantations in West Kalimantan held by the companies PT Mayangkara Tanaman Industri and PT Wana Subur Lestari. Alas Kusuma sold most of its shareholdings to Sumitomo Forestry in late 2020, and now has less than 10% stakes in the companies.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Mayawana Persada</td>
<td>632</td>
<td>592</td>
<td>407</td>
<td>1,184</td>
<td>2,759</td>
<td>5,574</td>
<td>288</td>
<td>5,862</td>
</tr>
</tbody>
</table>

Table 17
Deforestation by PT Mayawana Persada (ha)
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

Figure 12 (top)
Deforestation by Alas Kusuma subsidiary PT Mayawana Persada since 2016

Figure 13 (bottom)
June 2020 satellite image showing deforestation by PT Mayawana Persada
Aidenvironment | The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

Plywood operations

Alas Kusuma, which has 455,000 ha of logging concessions in West and Central Kalimantan, is best known for its plywood operations. Both of its logging companies, PT Sari Bumi Kusuma and PT Suka Jaya Makmur, hold Forest Stewardship Council (FSC) certificates.171 Indonesian trade data for the first nine months of 2020 show Alas Kusuma exporting most of its plywood to the Japanese companies Sumitomo Forestry (10,500 tonnes) and Itochu Corporation (9,200 tonnes). In its response to a draft report sent for review, Itochu Corporation said it had sourced 3,150 tonnes of plywood from Alas Kusuma during the first nine months of 2020.172 This figure probably references supplies to Itochu Kenzai Corporation. The higher figure reported by Aidenvironment includes supplies to Daiken Corporation, of which Itochu Corporation is the main shareholder.

Palm oil operations

Alas Kusuma has an estimated oil palm planted area of 12,400 ha. Its produce is sold to third-party mills. Its two oil palm plantation companies, PT Sawit Jaya Makmur and PT Kusuma Alam Sari, are located adjacent to each other in Kubu Raya district in West Kalimantan. Alas Kusuma’s fresh fruit bunch harvests are likely sold to mills located in the vicinity, as shown in Figure 14 below. In 2015, Greenpeace highlighted deforestation and fires inside the PT Kusuma Alam Sari concession. PT Kusuma Alam Sari had cleared a total of 5,300 ha of deep peat area classified as orangutan habitat by September 2015.173 Aidenvironment and Mighty Earth detected 129 ha of forest loss from May-August 2018.174 Mighty Earth continued to detect smaller patches of deforestation in this concession in 2020.175

Figure 14
Alas Kusuma Group’s oil palm planted area and surrounding palm oil mills
Alas Kusuma’s customers

Various companies with no-deforestation commitments have trade relations with Alas Kusuma, yet so far there has been no engagement to halt deforestation by PT Mayawana Persada:

- While deforestation by PT Mayawana Persada was ongoing, APRIL (Royal Golden Eagle group) breached its no-deforestation commitment by buying pulpwood in 2019 and 2020 from PT Mayangkara Tanaman Industri. At the time, Alas Kusuma had a 50% stake in the company.

- The Japanese company Itochu Corporation has various policies and initiatives on sustainable procurement. It is a major palm oil refiner/trader and a buyer of Alas Kusuma plywood. Itochu has yet to engage Alas Kusuma over deforestation by PT Mayawana Persada.

- Harvests from Alas Kusuma’s oil palm plantations may very well enter the supply chains of Indonesia’s main palm oil refiners. It is currently unknown which of the surrounding palm oil mills buy harvest produce from Alas Kusuma. Of all the large refiners with NDPE policies, Wilmar stands out as being a customer of the surrounding mills. According to its latest mill lists, Wilmar sourced from PT Cipta Tumbuh Berbuah and PT Graha Agro Nusantara in 2019-2020. Alas Kusuma might have indirectly supplied Wilmar through these mills. Although Wilmar was asked for clarification on this matter when a draft report was sent for review, it did not respond to this specific question.

‘...breached its no-deforestation commitment by buying pulpwood in 2019 and 2020...’
Jhonlin

Company profile

Jhonlin Group was founded by the South Kalimantan businessman, Haji Andi Syamsudin Arsyad (commonly known as Haji Isam). The company started off in coal mining, but in recent years has been expanding aggressively into oil palm and industrial tree plantation development. Multiple issues have been reported concerning Jhonlin operations over the past years, including land grabbing, unstable work conditions, alleged bribery and tax evasion, confrontations with communities, arrests of journalists, environmental non-compliance, etc.179

Industrial tree plantation operations

The wider Isam family holds industrial tree plantation concessions totalling 57,752 ha in South Kalimantan. Jhonlin cleared 2,988 ha for timber plantation development between 2016 and 2020. Most deforestation was caused by PT Jhonlin Agro Mandiri, which has a permit area of 17,730 ha in Tanah Bumbu district, South Kalimantan.

Jhonlin did not receive a draft report for review, as its contact details remain unknown.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Jhonlin Agro Mandiri</td>
<td>321</td>
<td>360</td>
<td>1,191</td>
<td>429</td>
<td>23</td>
<td>2,324</td>
<td>11</td>
<td>2,335</td>
</tr>
<tr>
<td>PT Inni Joa</td>
<td>139</td>
<td>64</td>
<td>50</td>
<td>82</td>
<td>17</td>
<td>352</td>
<td>0</td>
<td>352</td>
</tr>
<tr>
<td>PT Kodeco Timber</td>
<td>28</td>
<td>15</td>
<td>5</td>
<td>137</td>
<td>126</td>
<td>311</td>
<td>4</td>
<td>315</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>488</td>
<td>439</td>
<td>1,246</td>
<td>648</td>
<td>166</td>
<td>2,987</td>
<td>15</td>
<td>3,002</td>
</tr>
</tbody>
</table>

Table 18
Deforestation by Jhonlin industrial tree plantation operations (ha)
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers | Aidenvironment

Figure 15 (top)
Deforestation by Jhonlin Agro Mandiri since 2016

Figure 16 (bottom)
December 2018 satellite image showing deforestation by PT Jhonlin Agro Mandiri
Taiyoung and Jhonlin

Jhonlin also owns a 30% stake in PT Taiyoung Engreen, a plantation company with a permit area of 59,810 ha operating in Gunung Mas district, Central Kalimantan. The South-Korean company Taiyoung Global is the main shareholder with a 40% stake. Three individuals: Mr. Badrodin Haiti (Chief of the Indonesian National Police from January 2015 until July 2016), Mr. Mohamed Rafil Perdana and Mr. Didi Basuki each have 10% shareholdings.

PT Taiyoung Engreen cleared 4,862 ha of forests for an industrial tree plantation between 2016 and 2020. In 2016, an expert group of scientists found that most of the area constitutes orangutan habitat. As of December 2020, 43,049 ha or 72% of the concession remained forested and at risk of being developed as neither Jhonlin nor Taiyoung have committed to carrying out environmental impact assessments and conserving HCV/S forests. In 2021, PT Taiyoung Engreen had cleared 65 ha until March.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Taiyoung Engreen</td>
<td>650</td>
<td>901</td>
<td>1,444</td>
<td>1,565</td>
<td>303</td>
<td>4,862</td>
<td>65</td>
<td>4,927</td>
</tr>
</tbody>
</table>

Table 19
Deforestation by PT Taiyoung Engreen (ha)

![Figure 17](image)
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers  | Aidenvironment

The wider Isam family owns the PT Adisurya Cipta Lestari and PT Batulicin Agro Sentosa palm oil mills in Tanah Bumbu district, South Kalimantan and PT Pradiksi Gunatama mill in Paser district, East Kalimantan. PT Pradiksi Gunatama was listed on the Indonesia Stock Exchange in July 2020 (code: PGUN). As of 31 March 2021, public shares accounted for 18% of the total shareholding.\(^{182}\)

Jhonlin appeared in Chain Reaction Research’s top ten lists of largest deforesters for oil palm in 2018, 2019 and 2020 with 5,000, 5,900 and 1,000 hectares of forests cleared, respectively. Its oil palm landbank comprises approximately 160,000 ha in Central, East and South Kalimantan.\(^{183}\) Following engagement by Sime Darby, Jhonlin agreed to stop work orders for its oil palm concessions by June 2020.\(^{184}\)

One deforestation case, involving Jhonlin subsidiary PT Kodeco Timber, has proven difficult for NDPE companies to handle. The company has a logging concession as well as an industrial tree plantation concession. Jhonlin cleared 5,300 ha of forest inside the logging concession area in 2019. Satellite imagery and media reports indicated PT Kodeco Timber planting oil palm, but with insufficient clarity over exactly what it was growing. PT Kodeco Timber’s IUPHHK-HA logging permit is not the type needed for oil palm plantation development.\(^{185}\) As the palm oil sector’s NDPE policies are restricted to oil palm, the Kodeco Timber case questions the relevance of any policy that applies only to a sole commodity when many agribusiness companies operate in multiple crops.

**Palm oil operations**

Figure 18
December 2019 satellite image showing deforestation by PT Taiyoung Engreen

One deforestation case, involving Jhonlin subsidiary PT Kodeco Timber, has proven difficult for NDPE companies to handle. The company has a logging concession as well as an industrial tree plantation concession. Jhonlin cleared 5,300 ha of forest inside the logging concession area in 2019. Satellite imagery and media reports indicated PT Kodeco Timber planting oil palm, but with insufficient clarity over exactly what it was growing. PT Kodeco Timber’s IUPHHK-HA logging permit is not the type needed for oil palm plantation development.\(^{185}\) As the palm oil sector’s NDPE policies are restricted to oil palm, the Kodeco Timber case questions the relevance of any policy that applies only to a sole commodity when many agribusiness companies operate in multiple crops.
Palm oil supply chain

Three direct buyers from Jhonlin: Sime Darby, Wings and Bina Karya Prima could be identified. In its response to a draft report sent for review, Sime Darby said: ‘While it is a very recent development, Jhonlin will no longer be in our supply chain from July 2021.’

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known direct buyers</td>
<td>Sime Darby, Wings, Bina Karya Prima</td>
</tr>
<tr>
<td>Other buyers (likely indirect)</td>
<td>AAK, ADM, Bunge, Cargill, COFCO International, Fuji Oil, HSA Group/Pacific Inter-Link, KLK, Oleon NV</td>
</tr>
<tr>
<td></td>
<td>Danone, Friesland Campina, Grupo Bimbo, Johnson&amp;Johnson, KAO, Kellogg’s, L’Oréal, Mondelēz, Nestlé, PepsiCo, PZ Cussons, Reckitt Benckiser, Unilever, Upfield</td>
</tr>
</tbody>
</table>

Table 20
Known buyers of palm oil from Jhonlin operations

‘... the Kodeco Timber case questions the relevance of any policy that applies only to a sole commodity when many agribusiness companies operate in multiple crops.’
Hardaya

Company profile

PT Central Cipta Murdaya (CCM) is an Indonesian business group involved in property, manufacturing, retail, IT, construction and natural resources both domestically and overseas. The group was founded by two individuals, Mrs. Siti Hartati Murdaya and her husband Mr. Murdaya Widyawimarta Poo. The name of its subsidiary, Hardaya Plantations Group (Hardaya), is a composite of the names Hartati and Murdaya.

In February 2013, Mrs. Siti Hartati Murdaya was sentenced to 32 months in prison after being found guilty of bribery. She had been accused of paying IDR 3 billion (more than USD 300,000) in bribes in 2012 to a former regent of Buol district in Central Sulawesi to secure permits for oil palm expansion. She was released from prison in September 2014, after serving two thirds of her sentence.

Industrial tree plantation operations

Hardaya’s industrial tree plantation company, PT Intraca Hutani Lestari (PT IHL), is located in North Kalimantan and has a concession area of 42,050 ha. The company cleared 2,269 ha of forests between 2016 and March 2021.

Hardaya did not receive a draft report for review.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Intraca Hutani Lestari</td>
<td>276</td>
<td>195</td>
<td>1,040</td>
<td>529</td>
<td>215</td>
<td>2,256</td>
<td>13</td>
<td>2,269</td>
</tr>
</tbody>
</table>

Table 21
Deforestation by Hardaya industrial tree plantation operations (ha)
Figure 19 (top)
Deforestation by Handaya subsidiary PT Intraca Hutani Lestari since 2016

Figure 20 (bottom)
December 2018 satellite image showing deforestation by PT Intraca Hutani Lestari
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

Aidenvironment

Logging operations

Hardaya has logging concessions of 211,156 ha and 95,270 ha in North Kalimantan and Central Sulawesi, respectively. Its operations in North Kalimantan fall are run by FSC certificate-holding subsidiary PT Intracawood Manufacturing.

Indonesian trade data over the first nine months of 2020 show Hardaya exporting 21,100 tonnes of plywood. Around 5,300 tonnes were sold to Hardaya’s marketing arm for the US market, Taraca Pacific Inc. Japan was another major export destination, with importing companies SMB Kenzai (a Sumitomo, Mitsui and Marubeni joint venture) importing 3,600 tonnes, JK Holdings importing 3,400 tonnes, Yuasa Trading importing 2,700 tonnes and Nippon Paper Group importing 2,200 tonnes.

Palm oil operations

Hardaya’s oil palm plantings cover an estimated 28,500 ha in Central Sulawesi and North Kalimantan provinces. Hardaya also has a palm oil mill for both regions. In 2018, Greenpeace reported how the company had cleared 434 ha of forest between December 2014 and 2018. In addition, the company cleared at least 666 ha of forests in Nunukan district, North Kalimantan in 2017. NDPE buyers Wilmar and Musim Mas began engaging Hardaya in December 2017. Hardaya agreed to a moratorium on land clearing but has yet to announce any sustainability commitments.

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known direct buyers</td>
<td>Musim Mas, Wilmar, Wings</td>
</tr>
<tr>
<td>Other buyers (likely indirect)</td>
<td>AAK, ADM, Bunge, Fuji Oil, Itochu Corporation, KLK, Louis Dreyfus, Neste Oil (via Wings), Nisshin OilliO, Olam, Oleon NV, Pertamina</td>
</tr>
<tr>
<td></td>
<td>Avon, Colgate-Palmolive, Danone, Friesland Campina, General Mills, Grupo Bimbo, Johnson&amp;Johnson, Kellogg’s, L’Oréal, Mars, Mondelēz, Nestlé, P&amp;G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Unilever</td>
</tr>
</tbody>
</table>

Table 22
Known buyers of palm oil from Hardaya operations
After withdrawing from cigarette production in 2005, Sampoerna expanded operations in finance, telecommunications, property and plantations (industrial trees, rubber and oil palm). Sampoerna Strategic’s plantation operations are led by two subsidiaries: Sampoerna Kayoe specializes in engineered wood products, while Sampoerna Agro’s main segment is oil palm.

Sampoerna Kayoe’s holding company is the Singapore Stock Exchange listed Samko Timber Limited. In contrast to its palm oil homologue, Sampoerna Kayoe’s operations are not covered by NDPE commitments.

Sampoerna’s industrial tree plantation companies cleared a total of 1,268 ha of forest between 2016 and 2020. PT Agrindo Persada Lestari was responsible for most forest loss with a total of 1,112 ha. An additional 111 ha were cleared between January and March 2021. The company is located in Bangka Belitung province off the east coast of Sumatra.

Sampoerna did not receive a draft report for review.

**Industrial tree plantation operations**

**Company profile**

**SAMPOERNA KAYOE SUBSIDIARIES**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Agrindo Persada Lestari</td>
<td>425</td>
<td>170</td>
<td>200</td>
<td>198</td>
<td>119</td>
<td>1,112</td>
<td>111</td>
<td>1,223</td>
</tr>
<tr>
<td>PT Hutan Ketapang Industri</td>
<td>27</td>
<td>17</td>
<td>16</td>
<td>5</td>
<td>10</td>
<td>75</td>
<td>2</td>
<td>77</td>
</tr>
<tr>
<td>PT Kalpika Wanatama</td>
<td>23</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>40</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>PT Kirana Cakrawala</td>
<td>5</td>
<td>0</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>22</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>PT Mangole Timber Producers</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>20</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>482</td>
<td>201</td>
<td>230</td>
<td>215</td>
<td>142</td>
<td>1,269</td>
<td>113</td>
<td>1,382</td>
</tr>
</tbody>
</table>
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

Figure 21
Deforestation by Sampoerna subsidiary PT Agrindo Persada Lestari since 2016

‘The company claims to be Indonesia’s market leader in engineered wood products...’
Palm oil operations

Sampoerna Agro, listed on the Indonesia Stock Exchange with code SGRO, owns eight palm oil mills; five in Sumatra and three in Kalimantan. Its oil palm concessions cover 180,000 ha. In addition, it has a 98,000-ha industrial tree plantation under PT Hutan Ketapang Industri, which has planted 21,000 ha of rubber trees. Sampoerna Agro also cultivates sago. Sampoerna Agro has an NDPE policy and is a member of RSPO.

In August 2016, South Jakarta District Court ordered Sampoerna Agro plantation company PT National Sago Prima (NSP) to pay IDR 1.07 trillion (equivalent to USD 80 million) in compensation and ecosystem restoration payments, following forest fires on 3,000 ha of company managed land in Riau province in 2014. In December 2018, the Indonesian Supreme Court again ruled in favour of the Ministry of Environment and Forestry concerning the case. Consequently, Sampoerna submitted an application for a judicial review to the Supreme Court on 5 December 2019. In its 2020 Annual Report, Sampoerna Agro provided the following update: ‘Based on information from the official Supreme Court Case Information website, the Judicial Review application submitted by NSP was decided by the Supreme Court on 19 November 2020, with the verdict that the Judicial Review application submitted by NSP was denied. Until now, the Company has not received an official copy of the Judicial Review verdict from the Supreme Court, and thus the legal considerations from the Panel of Judges on its verdict have not been made known.’

According to its 2020 Annual Report, Sampoerna Agro’s main buyers in 2020 were Sinar Mas (GAR) accounting for 33% of Sampoerna Agro’s revenue, Louis Dreyfus (27%), and Wahana Citra Nabadi (11%). Buyers accounting for the remaining 29% remained undisclosed. In 2019, HSA Group/Pacific Inter-Link was listed as a large customer (12%), but in 2020 no supplies to this company could be traced.

<table>
<thead>
<tr>
<th>PROCESSORS/TRADERS</th>
<th>CONSUMER GOODS COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Known direct buyers</strong></td>
<td>Sinar Mas (GAR), Louis Dreyfus, Musim Mas, Wahana Citra Nabadi, RGE (Apical)</td>
</tr>
<tr>
<td><strong>Other buyers (likely indirect)</strong></td>
<td>AAK, ADM, BASF, Bunge, Cargill, COFCO International, Fuji Oil, HSA Group/Pacific Inter-Link, KLK, Neste Oil (via Wahana Citra Nabadi), Nisshin OilliO, Oleon NV, Pertamina</td>
</tr>
<tr>
<td>Avon, Colgate-Palmolive, Danone, Friesland Campina, General Mills, Grupo Bimbo, Johnson&amp;Johnson, KAO, Kellogg’s, L’Oreal, Mars, Mondelēz, Nestlé, P&amp;G, PepsiCo, PZ Cussons, Reckitt Benckiser, Hershey, Unilever, Upfield, Vandemoortele</td>
<td></td>
</tr>
</tbody>
</table>

Table 24
Known buyers of palm oil from Hardaya operations
Methodology

Figures on deforestation for industrial tree plantations

For Indonesia, the deforestation figures were determined using the following tools:

- The Indonesian Ministry of Environment and Forestry’s 2016 forest cover map was used for determining deforestation during the 2016-2020 period. The 2020 forest cover map was used for deforestation until March 2021.

- Visual interpretations of satellite imagery (mainly from planet.com).

- Data on tree cover loss (more than 75% canopy density) available from the Global Forest Watch (GFW) website. The original sources of these data are Hansen/UMD/Google/USGS/NASA. The data show tree cover loss during the 2000–2020 period, defined as stand-replacement disturbance, or a change from forest to non-forest.

- GLAD alerts on the GFW website for deforestation figures to March 2021.

- Mining concession and oil palm concession maps, as some industrial tree plantation concessions have experienced encroachment for oil palm or mining inside their boundaries.

Forest cover maps are not publicly available for the Malaysian state of Sarawak, so deforestation figures were determined by using GFW data on tree cover loss and gain; visual interpretations of forest in satellite imagery; and identifying large, cleared areas typical of companies operating in the industrial tree planting sector.

The clearing of non-forested peatland areas for industrial tree plantations was not investigated for this report. The seven company groups in Indonesia were not the seven company groups with the most deforestation for industrial tree plantation development in the country, as another criterion for their selection was their known palm oil trading with refiners.

Concession boundaries

For Indonesia, industrial tree plantation (HTI) concession boundaries were drawn from the interactive map available on the Ministry of Environment and Forestry’s WebGIS website. Concession area and the permit validity were checked using data in the Ministry’s Buku Geospasial. Overlaps with active oil palm and mining concessions were taken into consideration.

For Sarawak, the boundaries of licenses for planted forests (so-called LPFs) were found on company websites or via a map published by Sarawak Forest Department in 2011.

Orangutan habitat

In May 2016, the IUCN/SSC Conservation Breeding Specialist Group (a group of orangutan habitat experts) came together and drafted a map of potential orangutan species and subspecies habitats in Indonesia. This map was used for determining whether deforestation had occurred in orangutan habitat.
Extent of palm oil operations

Figures on the extent of palm oil operations (numbers of palm oil mills, downstream facilities, oil palm planted area landbanks, etc.) were drawn from company information where available. In cases where company groups do not publish such information, Aidenvironment resorted to its oil palm concession map and global palm oil mill list gathered from various sources and a massive database of retrieved company registry files. The global palm oil mill list contains a few more mills than Global Forest Watch’s Universal Mill List214 and categorizes mills by company group.

In some cases, the term oil palm landbank is mentioned. This term represents a broader range of concession rights for oil palm development. In other instances, reference is made to oil palm planted area owned by companies.

Company group categorization

Categorizing by company group was done by retrieving plantation company registry files and the registry files of companies further up the pyramid until a network of corporate entities was reached. A company group is defined as an entity that has management control over businesses. This entity can be a body corporate and/or persons (an individual, a family or a group of individuals). The management control entity may have majority ownership of the company group, but entities owning less than 50% of shares may have management control through contractual or operational arrangements.

Company structures can also exist where the top of the pyramid is not the end of the structure, but part of a wider network. Examples in the pulp and paper sector are companies connected to Sinar Mas and RGE via former employees.

Some companies have undisclosed majority owners, concealed through offshore secrecy jurisdictions. Registry files from companies lower down in the pyramid may reveal which entity is likely to have management control, and sometimes other sources may provide such information.

The methodology used for company group categorization has many similarities with indicators for determining corporate groups described in the Accountability Framework established by conservation NGOs.215

Buyers of palm oil from the deforesting company groups

Large processors/traders and consumer goods companies with NDPE policies publish lists of palm oil mills they source from. Information in their most recent lists was used to determine buyers of palm oil from deforesting company groups. Sometimes additional information was available, through retrieved trade data, or in the case of Sampoerna, through information submitted to the Indonesia Stock Exchange.

For processors/traders, a distinction was made between known direct buyers and other buyers. This was done because refineries purchasing directly from mills play a more important role than other processors/traders and consumer goods companies. The responsibility to engage with deforesting oil palm growers mainly rests on their shoulders.

The four largest palm oil refiners in Indonesia are Wilmar International, Musim Mas, Sinar Mas (Golden Agri-Resources) and Royal Golden Eagle (Apical). They were assumed to always source directly from palm oil mills. Besides the big four, other refiners such as HSA Group/Pacific Inter-Link, Sime Darby, Louis Dreyfus and Wings also buy directly from palm oil mills. The processors/traders and consumer goods companies not buying directly from deforesting company groups can play a role in encouraging direct buyers to engage with deforesting growers. Some refiners (Cargill, Louis Dreyfus, Bunge, HSA Group/Pacific Inter-Link, Neste Oil for example) mentioned whether they bought directly from specific mills or mentioned the refiner(s) they source from including their supplying mills.
APPENDIX
A. 1

Company groups with oil palm and industrial trees

**Indonesia**

Of all permits for industrial tree plantation concessions in Indonesia, no less than 64% are held by company groups that also grow oil palm. This overlap covers 7.2 million ha of Indonesia’s total 11.3 million ha of concession permits for industrial tree plantation (HTI) development. The industrial tree sector is Indonesia’s second largest plantation sector after palm oil with its 16 million ha of oil palm planted area.

Thirty-three company groups have operations in both palm oil and industrial tree plantation sectors. Table 25 below shows their HTI permit areas and, as an indication for palm oil activity, their numbers of operational palm oil mills in Indonesia.

<table>
<thead>
<tr>
<th>COMPANY GROUP</th>
<th>HTI PERMIT AREA (HA)</th>
<th>PALM OIL MILLS IN INDONESIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sinar Mas and Sinar Mas connected</td>
<td>2,896,817</td>
<td>Golden Agri-Resources: 47</td>
</tr>
<tr>
<td>Royal Golden Eagle (RGE) &amp; RGE connected</td>
<td>1,665,002</td>
<td>Asian Agri: 22; Anugrah Superventure: 29</td>
</tr>
<tr>
<td>Medco</td>
<td>237,700</td>
<td>PT Ciptatat Kumai Sejahtera: 1</td>
</tr>
<tr>
<td>Djarum</td>
<td>229,494</td>
<td>HPI Agro: 5</td>
</tr>
<tr>
<td>Salim Group</td>
<td>215,977</td>
<td>IndoGunta: 4; IndoAgri: 28</td>
</tr>
<tr>
<td>Sampoerna</td>
<td>183,288</td>
<td>USTP (50%-owned): 2; Sampoerna Agro: 8</td>
</tr>
<tr>
<td>Sungai Budi</td>
<td>163,107</td>
<td>Tunas Baru Lampung: 7</td>
</tr>
<tr>
<td>KPN Corp - Katingan Timber Group (KKG)</td>
<td>153,152</td>
<td>KPN Plantation: 18</td>
</tr>
<tr>
<td>Alas Kusuma Group</td>
<td>136,710</td>
<td>0, but oil palm planted area of 12,000 ha</td>
</tr>
<tr>
<td>Panca Eka</td>
<td>135,375</td>
<td>2</td>
</tr>
<tr>
<td>Fangiono family</td>
<td>116,365</td>
<td>CAA: 2; FAP Agro: 5; First Resources: 15</td>
</tr>
<tr>
<td>Korindo</td>
<td>116,225</td>
<td>4</td>
</tr>
</tbody>
</table>

*Table 25*

Company groups active in both palm oil and industrial tree plantation sectors in Indonesia

Continued on page 77...
### COMPANY GROUP | HTI PERMIT AREA (HA) | PALM OIL MILLS IN INDONESIA
--- | --- | ---
Dharma Satya Nusantara | 113,196 | 9
Erik & Akie Setiawan | 91,445 | PT Daya Semesta Agro Persada: 1
Prajogo Pangestu/Michelin | 88,645 | 0, rubber activities only
Buana Sriwijaya Sejahtera (BSS) Group | 64,263 | PT Sri Andal Lestari: 1
United Malacca | 59,920 | PT Lifere Agro Kapuas: 1
Taiyoung + Jhonlin | 59,810 | Taiyoung: 0; Jhonlin 3
Jhonlin | 56,665 | 3
Prajogo Pangestu (Barito Pacific) | 53,628 | 0, but 6 plantation companies not yet in operation yet has
Sentosa Bahagia Bersama | 52,160 | PT Sentosa Bahagia Bersama: 1
Kayan Patria Pratama (KPP) Group | 46,862 | PT Kayan Plantation: 1
ADR Group | 45,565 | PT Bayung Agro Sawita: 1
Hardaya | 42,050 | Hardaya Plantations Group: 2
Kayu Lapis Indonesia | 32,884 | PT Inti Kebun Sejahtera: 1
GPS Group (Gagah Putera Satria) | 31,945 | PT Buana Karya Bakti, Batulaki mill: 1
Harum Agro | 24,485 | PT Citra Sawit Harum: 1
Gunawan family | 22,461 | Incasi Raya: 16
Torganda + Siambaton family | 20,000 | Torganda: 19
Harita Group | 17,925 | Bumitama Agri: 14
Kurnia Luwuk Sejati | 13,400 | PT Kurnia Luwuk Sejati: 1
Sime Darby | 10,025 | 25
Makin Group | 7,500 | 16
Total | 7,204,046 | 313
Total for Indonesia | 11,306,190 | 1,163
Percentage of overlap | 64 | 27
A brief explanation regarding Sinar Mas and Royal Golden Eagle HTI permit areas

The Indonesian industrial tree sector is dominated by the two large pulp and paper producers: APP (Asia Pulp & Paper) and APRIL (Asia Pacific Resources International Limited). APP and APRIL are part of the Sinar Mas and Royal Golden Eagle (RGE) groups of companies, respectively. Both company groups are also known for their opaque and complex company structures, which were to some extent unravelled by NGO and media reports on APP in 2017/2018,217 PT Adindo Hutani Lestari in 2020218 and the Nusantara Fiber group in 2021.219

For both Sinar Mas and RGE, former employees have started their own businesses in the industrial tree plantation sector. These companies often remain in long-term relationships with Sinar Mas and RGE, as suppliers to their pulp mills. In the case of RGE, this relates to the company group Sumatera Dinamika Utama. For Sinar Mas, in this report these companies are referred to using the initials of their main owners: MS, MG, SN and LTN.

The company groups Nusantara Fiber and PT Adindo Hutani Lestari (Adindo) are also labelled as being connected to RGE. Both companies have undisclosed majority owners, concealed through offshore secrecy jurisdictions. Historical ownership records and documents on the incorporation of Nusantara Fiber connect the group to RGE. The group’s directors are also linked to 27 palm oil businesses, all of which supply to RGE.220 For Adindo, historical ownership also provides evidence of a connection between the group and RGE. Moreover, Adindo is 40%-owned by Sumatera Dinamika Utama group, and is a supplier of pulpwood to RGE.221

<table>
<thead>
<tr>
<th>COMPANY GROUP</th>
<th>HTI PERMIT AREA (HA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Royal Golden Eagle (RGE) and RGE connected</strong></td>
<td></td>
</tr>
<tr>
<td>RGE - APRIL</td>
<td>338,536</td>
</tr>
<tr>
<td>Same entities as RGE - Toba Pulp Lestari</td>
<td>184,486</td>
</tr>
<tr>
<td>Same entities as RGE - ITCI Hutani Manunggal</td>
<td>161,127</td>
</tr>
<tr>
<td>RGE connected: Sumatera Dinamika Utama group</td>
<td>557,334</td>
</tr>
<tr>
<td>RGE connected: Nusantara Fiber group</td>
<td>241,682</td>
</tr>
<tr>
<td>RGE connected: Adindo Hutani Lestari</td>
<td>181,837</td>
</tr>
<tr>
<td><strong>Total Royal Golden Eagle (RGE) and RGE connected</strong></td>
<td><strong>1,665,002</strong></td>
</tr>
</tbody>
</table>

| **Sinar Mas and Sinar Mas connected**              |                      |
| Sinar Mas - APP                                    | 1,059,977            |
| Sinar Mas - PT Dian Swastatika Sentosa Tbk         | 265,095              |
| Sinar Mas connected: MS                            | 488,555              |
| Sinar Mas connected: MG                            | 368,375              |
| Sinar Mas connected: SN                            | 359,437              |
| Sinar Mas connected: LTN                           | 355,379              |
| **Total Sinar Mas and Sinar Mas connected**        | **2,896,817**        |

Table 26  
Sinar Mas, RGE and connected companies’ HTI permit areas
Malaysia: Sarawak's big six

Malaysia’s state of Sarawak has six companies with vast interests in logging, industrial trees and palm oil. These six companies are: Rimbunan Hijau, Samling, WTK, Shin Yang, BLD Plantation/KTS and Ta Ann. Collectively, they are commonly referred to as the big six.222 These six companies operate 44% of palm oil mills in Sarawak.223 Sarawak’s main palm oil refiner is Wilmar International, but Rimbunan Hijau, Sarawak Oil Palms, BLD Plantation and Sime Darby also have palm oil refineries in Sarawak.

The Sarawak government has supported industrial tree plantations since 1998 by issuing licences for planted forests (LPFs) covering over 2 million ha. In January 2019, Sarawak’s Chief Minister, Mr. Abang Johari Openg stated that so far 420,000 ha had been planted with industrial trees. However, the Forest Department Sarawak website mentions a planted area figure of 520,000 ha. The website also specifies species of trees planted, with Acacia (55%), Batai (21%) and Eucalyptus (12%) being the most prevalent.224 In its response to a draft report sent for review, Samling elaborated on the government’s targets regarding industrial tree plantations, saying: ‘It has for some time been almost an article of faith with the government that one million hectares of industrial tree plantations (ITP) must be established by Sarawak’s private sector. (…) Establishing ITP was, and remains, a big undertaking, one requiring billions of ringgits to be invested but with the return on the investment starting only 8 to 10 or more years later.’225

Sarawak’s main industrial tree concession is owned by the company Sarawak Planted Forest Sdn Bhd, which in turn is owned by Sarawak’s State Financial Secretariat (66%) and state-owned Sarawak Timber Industry Development Corporation (STIDC) (34%). The concession covers a total area of 432,000 ha, 218,000 ha of which has been planted.

BLD/KTS’s 70%-owned company GP Pusaka Sdn Bhd has been contracted as the management company and main contractor for the Sarawak Planted Forest Sdn Bhd concession area.226 No information could be found on the size of the concession allocated to BLD/LTS. Next to this concession, BLD/KTS has areas licensed for planted forests totalling 148,000 ha in Sarawak, and an industrial tree plantation concession covering 57,000 ha in Sabah.227

Based on a map published by the Sarawak Forest Department in January 2011, most licences for planted forests (LPFs) in Sarawak have been issued to the big six.228 The figures presented in Table 27 below are extracted from this map. However, some corrections have been made where public information was available due to changes over the years.229 In its response to a draft report sent for review, Samling said: ‘The concession area allocated for Samling for the establishment of ITP is 277,798 hectares.’230 This figure was used for the table, instead of the 520,000-ha LPF area figure based on the January 2011 Sarawak Forest Department map.

The areas listed in the table are indicative of the large role of the big six company groups, which are estimated to hold 69% of Sarawak’s industrial tree plantation concessions.
### Table 27
Plantations and palm oil mills operated by Sarawak’s big six

<table>
<thead>
<tr>
<th>COMPANY GROUP</th>
<th>AREA OF LICENSE FOR PLANTED FORESTS IN SARAWAK (HA)</th>
<th>PALM OIL MILLS IN SARAWAK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rimbunan Hijau</td>
<td>355,000</td>
<td>11</td>
</tr>
<tr>
<td>Shin Yang (Sarawak Oil Palms)</td>
<td>212,000</td>
<td>7</td>
</tr>
<tr>
<td>WTK Group</td>
<td>157,000</td>
<td>6</td>
</tr>
<tr>
<td>Ta Ann/Sarawak Plantation</td>
<td>301,000</td>
<td>6</td>
</tr>
<tr>
<td>BLD Plantation/KTS</td>
<td>148,000</td>
<td>4</td>
</tr>
<tr>
<td>Samling</td>
<td>278,000</td>
<td>3</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,451,000</td>
<td>37</td>
</tr>
<tr>
<td>Sarawak Planted Forest Sdn Bhd</td>
<td>432,000</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>207,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total for Sarawak</strong></td>
<td><strong>2,090,000</strong></td>
<td><strong>85</strong></td>
</tr>
<tr>
<td>Big six as percentage of total</td>
<td>69</td>
<td>44</td>
</tr>
</tbody>
</table>
Indonesia’s and Malaysia’s main palm oil refiners

<table>
<thead>
<tr>
<th>PALM OIL REFINER</th>
<th>PALM OIL REFINING CAPACITY IN INDONESIA/ MALAYSIA (MILLION TONNES/YEAR)</th>
<th>NDPE POLICY?</th>
<th>NDPE IMPLEMENTATION?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SUPPLY CHAIN TRANSPARENCY</td>
<td>OPERATIONAL GRIEVANCE SYSTEM</td>
</tr>
<tr>
<td>Wilmar International</td>
<td>18.9</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Musim Mas</td>
<td>7.5</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sinar Mas (Golden Agri-Resources)</td>
<td>6.1</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Royal Golden Eagle (Apical)</td>
<td>4.2</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mewah International</td>
<td>3.2</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>FGV Holdings (Felda)</td>
<td>2.5</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sime Darby</td>
<td>2.5</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>HSA Group/Pacific Inter-Link</td>
<td>2.4</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>IOI Group</td>
<td>2.4</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Permata Hijau Group</td>
<td>2.2</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Salim Group</td>
<td>1.7</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Kuala Lumpur Kepong (KLK)</td>
<td>1.4</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>BEST Group</td>
<td>1.3</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Tunas Baru Lampung</td>
<td>1.3</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Louis Dreyfus Company</td>
<td>1.2</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Darmex Agro</td>
<td>1.2</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Table 28
The main palm oil refining company groups in Indonesia and Malaysia

Continued on page 82...
Continued from page 81 ...

<table>
<thead>
<tr>
<th>PALM OIL REFINER</th>
<th>PALM OIL REFINING CAPACITY IN INDONESIA/ MALAYSIA (MILLION TONNES/YEAR)</th>
<th>NDPE POLICY?</th>
<th>NDPE IMPLEMENTATION?</th>
<th>SUPPLY CHAIN TRANSPARENCY</th>
<th>OPERATIONAL GRIEVANCE SYSTEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nisshin OilliO</td>
<td>1.0</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Wings Group</td>
<td>0.9</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Gunawan family (Incasi Raya)</td>
<td>0.9</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>IFFCO</td>
<td>0.9</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>First Resources</td>
<td>0.9</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>BLD Plantation</td>
<td>0.8</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Kwantas Corporation</td>
<td>0.7</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>PT Perkebunan Nusantara (PTPN)</td>
<td>0.7</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Other refiners</td>
<td>10.8 8.1 No / 2.7 Yes</td>
<td>8.7 No / 2.1 Yes</td>
<td>8.7 No / 2.1 Yes</td>
<td>8.7 No / 2.1 Yes</td>
<td>8.7 No / 2.1 Yes</td>
</tr>
<tr>
<td><strong>Total palm oil refining capacity</strong></td>
<td><strong>78.7</strong></td>
<td>Yes</td>
<td><strong>78.7</strong></td>
<td><strong>78.7</strong></td>
<td><strong>78.7</strong></td>
</tr>
</tbody>
</table>

Source:
A. 3

Samling’s response regarding its logging operations

In its response to a draft report sent for review, Samling elaborated extensively on statements made in the draft regarding its logging operations.231 For readability Samling’s response was placed in this appendix.

Concord Pacific Limited

Samling has a long history of illegal and unsustainable logging operations. In 2011, Samling group company Concord Pacific Limited was found guilty of large-scale illegal logging, environmental destruction and severe human rights abuses in Papua New Guinea. The group was sentenced to pay four indigenous groups nearly USD 100 million in compensation, but managed to avoid the penalty by deregistering the company just before the sentence was passed. As of 2020, the communities had yet to receive any payment.232 In its response to a draft report sent for review, Samling stated: ‘Samling has never had any investment or management involvement in Concord Pacific.’233 Samling founder, Datuk Yaw Teck, was the controlling shareholder of Concord Pacific, so technically Concord Pacific was a related party of Samling’s.234

Samling’s Suling-Sela’an forest management unit

In March 2021, the Bruno Manser Fund reported that Samling has been encroaching into the Upper Baram Forest Area (UBFA), in Northern Sarawak. The area was earmarked to become a conservation zone; a proposal supported by the Sarawak Government, the International Tropical Timber Organization (ITTO) and several communities living in the vicinity. Local communities in Long Ajeng and neighbouring villages have repeatedly voiced their objections to Samling’s operations in its Suling-Sela’an forest management unit.235

In its response to a draft report sent for review, Samling stated: ‘Samling understands from Forest Department (FDS) that ITTO’s project remains a proposal at this stage pending fulfilment of certain conditions necessary for its implementation. The contents of the project proposal have yet to be agreed by the primary stakeholders of which Samling is one. The greater part of the UBFA includes parts of four of Samling’s valid timber licences. There is absolutely no question of encroachment: all Samling’s harvesting activities have the necessary permits issued by the FDS. It should be noted that the UBFA proposal entails not only conservation but also socio-economic development of the communities. At the same time the proposal indicates that the timber licensees are expected to continue practising sustainable forest management in an economically viable manner and in this regard, the proposal gives details as to the way in which the forest management units (FMUs) might assist in supporting the proposed project. In respect of the Penans of Pa Ajeng and its neighbouring villages’ objections to Samling’s operations, as stated by Aidenvironment, the people of Pa Ajeng and neighbouring villages live in a river system which is well away from the area where Samling is presently operating - with valid harvesting permits issued by the FDS. Samling’s operating presence in this area has been agreed to in writing by the nearby relevant communities.’ 236
Complaints over MTCC-certification for the Gerenai and Ravenscourt forest management units

In May 2021, 36 Dayak communities filed official complaints with the Malaysian Timber Certification Council (MTCC) regarding its certification of two logging concessions. The communities assert that certification was granted without securing their free, prior and informed consent (FPIC) and without the communities having access to key documents about logging operations on their lands. The two logging concessions implicated are Samling's Gerenai and Ravenscourt forest management units.\(^\text{237}\)

In its response to a draft report sent for review, Samling stated: ‘Regarding the 36 Dayak communities’ official complaints to MTCC regarding the Gerenai and Ravenscourt Forest Management Units (FMU), Samling followed the two-stage process of the Malaysian Timber Certification Scheme (MTCS) in achieving the forest management certification (FMC) of Gerenai FMU and Ravenscourt FMU.

In responding to claims that the certification of the Gerenai FMU had failed to meet the requirement of MTCS, the governing body, the Malaysian Timber Certification Council (MTCC), issued a clarification statement on 13th August 2020. The said statement mentioned, amongst other things, the following:

‘To ensure that all communities had been consulted during the Stage 2 certification process, the FMU held a follow-up meeting with the relevant district authorities and Gerenai Community Representative Committee (CRC) on 4 September 2019. It was reported that the meeting was attended by 60 representatives from all 22 indigenous communities. Additionally, prior to the decision made by SIRIM QAS International Sdn Bhd to grant certification to Generai FMU on 12 April 2020, the audit report was subjected to a review by a panel of independent experts, termed as the peer review process, to confirm that the auditors had acted judiciously in the conduct of the audit and that the FMU has satisfactorily fulfilled the requirements of the certification standard.

…

Based on the statements and allegations made in the articles, MTCC realised that there is still a lack of understanding and misconception on certification as a process and tool for promoting sustainable forest management.’

The nature, institutional set-up and certification processes under MTCS as set out in the statement applies equally to the forest management certification of Ravenscourt FMU and to all other FMUs.

Samling teams, in preparation for the FMC visited the communities and informed and explained Samling’s intention to undertake FMC. The status of the forest land on which Samling operates is State Land, or Forest Reserve or Protected Forest. An FDS approved General Harvesting Plan (GHP) is the basis for the control of the operation. Any areas of shifting agriculture – including land designated by the Department of Land and Survey as being valid Native Customary Rights (NCR) land - are excluded from the operational area. Where access through such land is required, e.g. a road, this is discussed, consent given, conditions are agreed and a written agreement signed by all parties.

It is noteworthy that Samling has been operating in these two FMUs for more than 35 years and the company’s relationship with the communities has generally been good. There have been, and still are, wide ranging and effective CSR programmes. The nature of this long-term relationship and the communities’ appreciation of the Corporate Social Responsibility (CSR) programmes is reflected by the meetings of the Community Relationship Committees (CRC) and the Forest Management Certification Liaison Committee (FMCLC) meetings – the latter are chaired by senior representatives of the FDS – that have invariably shown favourable support for Samling, for Samling’s operations, and for FMC.

The level of community engagement is clearly shown by the fact that all of the communities considered to be part of the Gerenai FMU are members of the Gerenai CRC. In the Ravenscourt FMU all the relevant Lun Bawang communities participate in their Ravenscourt CRC.

Samling has always engaged with the relevant communities prior to operating in a forest area where there is a nearby community that might be affected by operations. Following on from these engagements a goodwill agreement will be prepared. This agreement sets out in detail the benefits that the community will receive from Samling’s operating presence.’\(^\text{238}\)
REFERENCES
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

Chain Reaction Research, NDPE Policies Cover 83% of Palm Oil Refineries; Implementation at 78%, 2 June 2020, bit.ly/38XvJGM.


Cargill, Grievances not within the scope of Cargill’s Palm Grievance Procedure, 31 March 2021, bit.ly/3uRzzQe.


AAK, Unqualified grievance, updated July 2020, bit.ly/2R0zo0v.


APRIL Group’s Sustainable Forest Management Policy 2.0, 3 June 2015, bit.ly/3mv3XvA.

APP, APP’s Forest Conservation Policy, February 2013, bit.ly/3mSKc0l.

Trase Insights, Indonesia pulp sector’s progress on deforestation hangs in the balance, 24 February 2021, bit.ly/3uFumuK.

The New York Declaration on Forests (NYDF), Progress report Goal 2, Eliminating deforestation from agricultural commodities, November 2020, bit.ly/3tFcvCZ.

Calculated from data used for the report.

Wilmar International, No Deforestation, No Peat, No Exploitation policy, 5 December 2013, bit.ly/3qA2cTW.

Golden Agri-Resources, GAR social and environmental policy, 1 October 2015, bit.ly/37GfsKG.

Apical, Sustainability policy (September 2014) and Palm oil sourcing policy (12 October 2015), bit.ly/3ghf7eW.

United Malacca, website, bit.ly/3bn2HHg (as viewed on 12 May 2021).

United Malacca, Completion of the Acquisition of PT Wana Rindang Lestari (Sulawesi Project), 27 August 2018, bit.ly/3tKmpmR.

Forest cover maps 2016 Indonesia’s Ministry of Environment and Forestry.

Chain Reaction Research, United Malacca’s 60,000-Hectare Industrial Tree Plantation Development Risks Market Access, Raises Questions About Scope of NDPE Policy Implementation, 28 September 2020, bit.ly/3ogxTgH.

United Malacca, Response to concerns on environmental issues raised by non-governmental organisations (NGOs) regarding the company’s investment in Sulawesi, Indonesia, 25 September 2020, bit.ly/2RJMPb4.


United Malacca, Sustainable palm oil policy, 1 April 2021, bit.ly/3uL8jmt.

PT Dian Swastatika Sentosa Tbk, Website, Coal mining and trading, bit.ly/3485f8h.


United Tractors, Website, bit.ly/3hM28Lt.

The Telegraph, Revealed: Newly-discovered orangutan species is ‘being driven to extinction’ by British firm’s goldmine, 6 September 2020, bit.ly/2Smdk7S.

Mighty Earth, Rapid response palm oil report, April 2021, bit.ly/3ub2JcS.

IUCN, IUCN calls for a moratorium on projects impacting the Critically Endangered Tapanuli orangutan, 16 April 2019, bit.ly/3uwp32.

Response by Musim Mas to a draft report sent for review, 14 June 2021.

Response by Wilmar International to a draft report sent for review, 9 June 2021. The response comprised several comments throughout a draft report.

Response by Sinar Mas (Golden Agri-Resources) to a draft report sent for review, 27 May 2021. The response was: “Thank you for the heads up on the report. We have no questions and no comments. All the best with the publication.”

Reminder emails sent by Aidenvironment on 7 June 2021 (to Sinar Mas) and 10 June 2021 (to Wilmar).

Response by Royal Golden Eagle to a draft report sent for review, 11 June 2021.

Response by Musim Mas to a draft report sent for review, 14 June 2021.

Response by Mewah International to a draft report sent for review, 6 June 2021.

Response by Sime Darby to a draft report sent for review, 11 June 2021.


APRIL Group’s Sustainable Forest Management Policy 2.0, 3 June 2015, bit.ly/3mv3XvA.

Response by Royal Golden Eagle to the draft-report sent for review, 11 June 2021.

Planet satellite imagery compared with the forest cover map 2016 of Indonesia’s Ministry of Environment and Forestry.
The need for cross-commodity no-deforestation policies by the world's palm oil buyers | Aidenvironment

APRIL, sustainability dashboard, Interactive map, List of APRIL's fibre supply sources as of 31 March 2021, bit.ly/36A3eUA

Response by Royal Golden Eagle to the draft-report sent for review, 11 June 2021.


Response by Royal Golden Eagle to the draft-report sent for review, 11 June 2021.

Response by Royal Golden Eagle to the draft-report sent for review, 11 June 2021.

APRIL, sustainability dashboard, Interactive map, List of APRIL’s fibre supply sources as of 31 March 2021, bit.ly/36A3eUA

Response by Royal Golden Eagle to the draft-report sent for review, 11 June 2021.


APRIL, About the Stakeholder Advisory Committee (SAC), bit.ly/2RryVXc.


PT TUV Rheinland Indonesia, Public summary audit results timber legality verification, PT Agra Bareksa Indonesia, 2018, bit.ly/3vjWmEQ.

Mongabay, FSC complaint filed against pulpwood firms tied to Indonesia’s richest man, 16 December 2019, bit.ly/2ScJLUZ.

FSC, Djarum Group: Case update, 1 February 2021, bit.ly/3xCW6IL.

Koalisi Anti Mafia Hutan et al., APP and APRIL violate zero-deforestation policies with wood purchases from Djarum Group, 15 August 2018, bit.ly/3twnzZCP.


Koalisi Anti Mafia Hutan et al., Borneo Deforestation Update, Asia Pulp & Paper and APRIL Groups continued in 2018 to source wood from controversial supplier owned by Djarum Group, October 2019, bit.ly/2QAJLor.

APRIL, HCV Assessments, bit.ly/3AcVDr (as viewed on 12 October 2020 and as per 31 March 2021)

APP, Verification Report On Logs from PT. Fajar Surya Swadaya (FSS), 9 October 2018, bit.ly/3xA00db.

Koalisi Anti Mafia Hutan et al., Borneo Deforestation Update, Asia Pulp & Paper and APRIL Groups continued in 2018 to source wood from controversial supplier owned by Djarum Group, October 2019, bit.ly/2QAJLor.

Indonesian notary acts. APP Indonesia's Pulpwood Suppliers, bit.ly/2Rj2QEs (as viewed on 1 May 2021)

APP Indonesia’s Pulpwood Suppliers, bit.ly/2Rj2QEs (as viewed on 12 October 2020 and 1 May 2021)

HPI Agro, website, bit.ly/2lwLQq1.


PT Muria Sumba Manis, We are hiring, bit.ly/3eK6Bv5.

Tata, Fabrik Pengolahan Tebu PT Muria Sumba Manis, bit.ly/3gCis0B.


Golden Agri-Resources, Field Visit Report re Grievance by LinkAR Borneo Against Hartono Plantation Indonesia in Kalimantan Barat, 23 June 2020, bit.ly/3gSOGoD.

Golden Agri-Resources, Grievance list, Hartono Plantation Indonesia, bit.ly/3eOzRjY.


Response by HPI Agro to a draft report sent for review, 15 June 2021.


Response by Wilmar International to a draft report sent for review, 9 June 2021.


Response by Sime Darby to a draft report sent for review, 11 June 2021.

Chain Reaction Research, NDPE Policies Cover 83% of Palm Oil Refineries; Implementation at 78%, 2 June 2020, bit.ly/3BxjyGM.


Company registry profiles of Acapalm Plantation Services Sdn Bhd, as valid per 6 October 2020 and 15 August 2018. Letter by Apical to Aidenvironment, 23 January 2017.


Responses by representatives of Argyle Street Management, Mr. Kin Chan and Mr. Peter Peh, to a draft report sent for review by Aidenvironment, 4, 6 and 9 February 2021.

Argyle Street Management Limited, website, bit.ly/3fIPRIQ (as viewed on 10 November 2020).

Hong Kong Securities and Futures Commission, Public register of licensed persons and registered institutions, PEH Pit Tat, bit.ly/3n00ORH (as viewed on 10 November 2020).

LinkedIn, Search term “Nusantara Fiber”, bit.ly/3mTJNzw (as viewed on 27 December 2020).

Instagram, Nusantara Fiber Office, Balikpapan Baru, Indonesia, bit.ly/3nV5wnm (as viewed on 27 December 2020).


ProKaltim, PT SBA dan PT MPS Gelar Konsultasi Publik, 25 March 2016, bit.ly/3aP4WnD.


Planet satellite imagery compared with the forest cover map 2016 of Indonesia’s Ministry of Environment and Forestry.

APRIL, sustainability dashboard, Interactive map, List of APRIL’s fiber supply sources as of 31 March 2021, bit.ly/36A3eUA


Jobstreet, PT Sumatera Dinamika Utama, bit.ly/3mGw9M9 (as viewed on 3 December 2020).

Relasio.com, PT Sumatera Dinamika Utama, bit.ly/33JgLHz (as viewed on 3 December 2020).

LinkedIn, search term Sumatera Dinamika Utama, bit.ly/37xV6TJ (as viewed on 3 December 2020).

APRIL, sustainability dashboard, Interactive map, List of APRIL’s fiber supply sources as of 31 March 2021, bit.ly/36A3eUA.


APRIL, sustainability dashboard, Interactive map, List of APRIL’s fiber supply sources as of 31 March 2021, bit.ly/36A3eUA.

Koalisi Anti Mafia Hutani et al., Sustaining deforestation: APRIL’s links with PT Adindo Hutani Lestari, 6 October 2020, bit.ly/3o8Ta16.

Royal Golden Eagle, RGE as a company, bit.ly/3bw2HVQ (as viewed on 17 May 2021).

Apical, Sustainability Policy, bit.ly/3ooKoGY (as viewed on 17 May 2021).

Asian Agri, Sustainability Policy, September 2014, bit.ly/3ooc2En.

RSPO, member, PT. Inti Indosawit Subur (Asian Agri), bit.ly/2QmkK9O

RSPO, member, AAA Oils & Fats Pte Ltd (Apical), bit.ly/3buGyqA.
The need for cross-commodity no-deforestation policies by the world's palm oil buyers

Aidenvironment

PT Anugerah Pelangi Sukses, PT Asia Sawit Makmur Jaya, PT Berkat Sawit Sejahtera (two mills or kernel crushers), PT Bina Mitra Makmur, PT Borneo Sawit Persada, PT Bumi Mentari Karya (two mills or kernel crushers), PT Cahaya Bintang Sawit Sejati (two mills or kernel crushers), PT Cahaya Cemerlang Lestari, PT Cahaya Sawit Lestari, PT Fortius Agro Asia, PT Gemilang Cahaya Mentari, PT Gemilang Sawit Lestari, PT Hasil Karya Burmesejati, PT Karya Indorata Persada, PT Karyaindo Sejatitama, PT Kemilau Permata Sawit (two mills or kernel crushers), PT Mandiri Sawit Bersama, PT Mtra Sawit Jambi, PT Perkebunan Pelalu Raya, PT Sabang Sawit Nusantara, PT Sinar Sawit Suburlestari, PT Sri Indrapura Sawit Lestari, PT Sukses Gemilang Palem, PT Sumber Adirusa Lestari, PT Sumber Bunga Sawit Lestari, PT Usaha Sawit Mandiri.

Aidenvironment, Global palm oil mill list.

Apical group, Traceability, bit.ly/3bOZKQn (as viewed on 17 May 2021).

Company registry file Asagro Sdn Bhd, 10 November 2020.

offshoreleaks.icij.org/nodes/42697


Aidenvironment, Report sent to refiners, The operations of Anugrah Superventure, June 2018.

Apical group, Traceability, bit.ly/3bOZKQn (as viewed on 17 May 2021).


Rimbunan Hijau group, Group structure, bit.ly/3LyYuKb (as viewed on 4 May 2021).

Forbes, 2020 Malaysia’s 50 Richest, #17 Ting Hiew King, bit.ly/2RqeD3W (as viewed on 4 May 2021)

RH Mining, website, bit.ly/3twxw9kC (as viewed on 8 May 2021)

Bursa Malaysia, Company Announcements, Jaya Tiasa Holdings Bhd, bit.ly/3FdyjKb.

Jaya Tiasa, Corporate presentation period ended 31 December 2020, bit.ly/3hGcv3k.

Jaya Tiasa, Corporate presentation period ended 31 December 2015, bit.ly/3fav0er.

Rimbunan Hijau, Rimbunan Hijau (PNG) Limited, bit.ly/3f1Jr3n.

RNZ/Staff, New Zealand’s biggest 50 landowners revealed, October 2019, bit.ly/3tA6K9A.


FSC, Certificate, PT Wapoga Mutiara Industries, bit.ly/3o5BCxB (as viewed on 8 May 2021)


Company registry files for PT Wapoga Mutiara Industries and Baines Limited, as retrieved on 1 October 2020 and 4 October 2020, respectively.

Annual reports, Bursa Malaysia announcements and websites of Rimbunan Sawit Berhad, Jaya Tiasa Holdings Berhad and Subur Tiasa Holdings Berhad.


BLD Plantation, Palm oil dashboard, bit.ly/3wF9ATo (as viewed on 17 May 2021).


Mewaholeo Industries, Pasir Gudang, Year of 2020 CPKO Traceability to Kernel Crushing Plant Declaration Document
Response by Mewah International to a draft report sent for review, 6 June 2021.

Forbes, 2020 Malaysia’s 50 Richest, #31 Yaw Teck Seng & Yaw Chee Ming, April 2020, bit.ly/3sGKHxH.

Samling, Corporate profile, bit.ly/3dLSlyD.

Response by Samling to a draft report sent for review, 11 June 2021.


Response by Samling to a draft report sent for review, 11 June 2021.

Mighty Earth, Samling and Mulia Sawit’s Ongoing Deforestation, 31 March 2020, bit.ly/3gxqKQx.


Glenealy Plantations Sdn Bhd, No Deforestation, No Peat, No Exploitation Policy, 10 April 2020, bit.ly/3aCDPuV.

Response by Samling to a draft report sent for review, 11 June 2021.

Samling, Responsible Forest Management Policy, 1 February 2021, bit.ly/3xlfgMR.

Response by Samling to a draft report sent for review, 11 June 2021.

Mighty Earth, Samling and Mulia Sawit’ s Ongoing Deforestation, 31 March 2020, bit.ly/3gxqKQx.


Glenealy Plantations Sdn Bhd, No Deforestation, No Peat, No Exploitation Policy, 10 April 2020, bit.ly/3aCDPuV.

Response by Samling to a draft report sent for review, 11 June 2021.


Response by Samling to a draft report sent for review, 11 June 2021.

Mighty Earth, Samling and Mulia Sawit’s Ongoing Deforestation, 31 March 2020, bit.ly/3gxqKQx.


Glenealy Plantations Sdn Bhd, No Deforestation, No Peat, No Exploitation Policy, 10 April 2020, bit.ly/3aCDPuV.

Response by Samling to a draft report sent for review, 11 June 2021.

Samling, Responsible Forest Management Policy, 1 February 2021, bit.ly/3xlfgMR.

Response by Samling to a draft report sent for review, 11 June 2021.

Mighty Earth, Samling and Mulia Sawit’ s Ongoing Deforestation, 31 March 2020, bit.ly/3gxqKQx.


Glenealy Plantations Sdn Bhd, No Deforestation, No Peat, No Exploitation Policy, 10 April 2020, bit.ly/3aCDPuV.

Response by Samling to a draft report sent for review, 11 June 2021.

Samling, Responsible Forest Management Policy, 1 February 2021, bit.ly/3xlfgMR.

Response by Samling to a draft report sent for review, 11 June 2021.

Mighty Earth, Samling and Mulia Sawit’s Ongoing Deforestation, 31 March 2020, bit.ly/3gxqKQx.


Glenealy Plantations Sdn Bhd, No Deforestation, No Peat, No Exploitation Policy, 10 April 2020, bit.ly/3aCDPuV.

Response by Samling to a draft report sent for review, 11 June 2021.

Samling, Responsible Forest Management Policy, 1 February 2021, bit.ly/3xlfgMR.

Response by Samling to a draft report sent for review, 11 June 2021.
The need for cross-commodity no-deforestation policies by the world's palm oil buyers | Aidenvironment

SOPB, Grievance List, bit.ly/3xAeB9u.
SOPB, 3rd Party Mills Location Map, bit.ly/3Ol7Eu.
Response by Sarawak Oil Palms (SOP) to a draft report sent for review, 8 June 2021.
RSPO, Search Members, bit.ly/3vLS25c (as viewed on 19 June 2021)
Response by Sarawak Oil Palms (SOP) to a draft report sent for review, 8 June 2021.
Sarawak Oil Palms, Proposed shareholders’ mandate for recurrent related party transactions of a revenue or trading nature, 5 May 2021, bit.ly/3vLJuXg.
Trade data retrieved from infodrive.com.
Trade data retrieved from infodrive.com.
Response by Wilmar International to a draft report sent for review, 9 June 2021.
SPOTT, Alas Kusuma group, July 2020, bit.ly/3fgc7GP.
Mongabay, FSC-certified Indonesian logger may have cleared orangutan habitat: Report, 17 May 2021, bit.ly/2Rzdwj1.
Aidenvironment, Indonesia’s Royal Golden Eagle group involved in deforestation, despite its sustainability commitments, 16 March 2021, bit.ly/3p0Q2s1.
Greenomics, PT Mayawana Persada, a company whose shareholders include an FSC certificate holder, plans to clear orangutan habitat and HCV areas for the development of pulpwod plantation, 2014, bit.ly/2QeBjdM.
FSC, certificate PT Sari Bumi Kusuma, bit.ly/2p5tAYC.
FSC, certificate PT Suka Jaya Makmur, bit.ly/3dv7mrs.
Response by Itochu Corporation to a draft report sent for review, 11 June 2021.
Mighty Earth, Rapid Response Palm Oil Report 29, July 2020, bit.ly/2RQc9YJ.
Wilmar, Supply Chain Map, bit.ly/3nHv20f.
Wikipedia, Badrul Hadi, bit.ly/2Sycxje (as viewed on 6 May 2020)
PT Pradiksi Gunatama Tbk, Prospektus 30 June 2020, bit.ly/3eTcvtJ.
PT Pradiksi Gunatama Tbk, Shareholders as per 31 March 2021, bit.ly/3h1ijro
Chain Reaction Research, 2020’s Top Deforesters for Oil Palm in Southeast Asia: A Lower Rate of Deforestation, but the Same Culprits, 9 February 2021, bit.ly/3x0glZf.
Mongabay, Indonesia to investigate death of journalist being held for defaming palm oil company, 21 June 2018, bit.ly/3uczshg.
Wikipedia, Badrodin Haiti, bit.ly/2Sycxje (as viewed on 6 May 2020)
PT Pradiksi Gunatama Tbk, Shareholders as per 31 March 2021, bit.ly/3h1ijro
Chain Reaction Research, 2020’s Top Deforesters for Oil Palm in Southeast Asia: A Lower Rate of Deforestation, but the Same Culprits, 9 February 2021, bit.ly/3x0glZf.
Wikipedia, Badrodin Haiti, bit.ly/2Sycxje (as viewed on 6 May 2020)
PT Pradiksi Gunatama Tbk, Shareholders as per 31 March 2021, bit.ly/3h1ijro
Chain Reaction Research, 2020’s Top Deforesters for Oil Palm in Southeast Asia: A Lower Rate of Deforestation, but the Same Culprits, 9 February 2021, bit.ly/3x0glZf.
Wikipedia, Badrodin Haiti, bit.ly/2Sycxje (as viewed on 6 May 2020)
PT Pradiksi Gunatama Tbk, Shareholders as per 31 March 2021, bit.ly/3h1ijro
Chain Reaction Research, 2020’s Top Deforesters for Oil Palm in Southeast Asia: A Lower Rate of Deforestation, but the Same Culprits, 9 February 2021, bit.ly/3x0glZf.
Wikipedia, Badrodin Haiti, bit.ly/2Sycxje (as viewed on 6 May 2020)
PT Pradiksi Gunatama Tbk, Shareholders as per 31 March 2021, bit.ly/3h1ijro
Chain Reaction Research, 2020’s Top Deforesters for Oil Palm in Southeast Asia: A Lower Rate of Deforestation, but the Same Culprits, 9 February 2021, bit.ly/3x0glZf.
Wikipedia, Badrodin Haiti, bit.ly/2Sycxje (as viewed on 6 May 2020)
PT Pradiksi Gunatama Tbk, Shareholders as per 31 March 2021, bit.ly/3h1ijro
Chain Reaction Research, 2020’s Top Deforesters for Oil Palm in Southeast Asia: A Lower Rate of Deforestation, but the Same Culprits, 9 February 2021, bit.ly/3x0glZf.
The need for cross-commodity no-deforestation policies by the world’s palm oil buyers

Sime Darby, Supplier Grievance Register, updated on 1 June 2020, bit.ly/337SrhW.


PT Pradiksi Gunatama Tbk, Prospekus 30 June 2020, bit.ly/3eTcvtJ.

Response by Sime Darby to a draft report sent for review, 11 June 2021.


Tempo, Special Favors, 10 September 2014 , bit.ly/2tolZHA.


Aidenvironment, case report on Hardaya/CCM Group, July 2017, not published.


RSPO, Membership PT Sampoerna Agro, bit.ly/3dKJd1c.

Antara News, NSP found guilty in forest fire, punished with compensation, 12 August 2016, bit.ly/3aSCbFC.

JawaPos, Kalah Kasasi, PT National Sago Prima Didenda Rp 1 Triliun, 4 January 2019, bit.ly/3gXSftA.

Sampoerna Strategic, website, bit.ly/2RONTKP.

Sampoerna Kayoe, website, bit.ly/2QCuIDk.


Sampoerna Kayoe, website, bit.ly/2QCuIDk.


Sampoerna Agro, Public Expose, 1 December 2020, bit.ly/3qjkdZH.

Sampoerna Agro, Sustainability in Motion, bit.ly/3tZvppf.

RSPO, Membership PT Sampoerna Agro, bit.ly/3dKJd1c.


Kontan, Terkait kasus pembakaran hutan yang dilakukan anak usaha, ini tanggapan SGRO, 27 February 2019, bit.ly/3eKWJBe.

Sampoerna Agro, Annual reports 2019 and 2020, bit.ly/3hcalrL.

Sampoerna Agro, Annual reports 2019 and 2020, bit.ly/3hcalrL.
