



MIGHTY EARTH



# RAPID RESPONSE

## Palm Oil Report

Report 31

November 2020



Prepared with

**MapHubs**  
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## Cases identified using Landsat and Planet imagery

### Malaysian Companies

#### *New Cases*

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### Supply chain information:

Supply chain information included in Rapid Response reports is based on the latest public versions of mill disclosures, recent export data and grievance logs. Mighty Earth encourages companies to send updated versions of mill disclosures as soon as they become available and to share any decision to suspend relations with a given group/company listed in those mill disclosures with [rapidresponse@mightyearth.org](mailto:rapidresponse@mightyearth.org).

Mighty Earth is now including biofuel companies in the supply chain tables of Rapid Response reports, as these companies have both direct and indirect trading relationships with groups highlighted in these reports and should be filing grievances on these cases. These biofuel companies are listed in the "Traders and Biofuel Companies" tables.

# New Case

## Group/Parent: Pahang State (through Perbadanan Kemajuan Pertanian Negari Pahang, PKPP)

PKPP Plantation Sdn Bhd (Cherating)

Concession location: 4.179128, 103.343949

### Deforestation and/or peat development

Report	Deforestation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 31	22	-	-	-	March 3, 2019 - October 27, 2020 (majority since August 2020)

Satellite imagery (see below) shows that between March 3, 2020 and October 27, 2020 a total of 22 hectares of forest was cleared in the PKPP Plantation Sdn Bhd (Cherating) concession. (Imagery: NASA, Landsat 8)

### Supply Chain Information

Company/Group	Trader	Biofuel	Consumer Brand
PKPP Plantation Sdn Bhd	-	-	-
LKPP Corporation Sdn Bhd	AAK, ADM, Bunge, Cargill, COFCO Int., Felda IFFCO, Fuji Oil, GAR, IOI, Itochu, KLK, Lipsa, Louis Dreyfus, Mewah, Musim Mas, Oleon, PIL, Sime Darby, Wilmar	Neste	Avon, Colgate-Palmolive, Danone, FrieslandCampina, General Mills, Hershey, Johnson & Johnson, Kellogg, Mars, Mondelez, Nestle, Nisshin Oillio, PepsiCo, PZ Cussons, Reckitt Benckiser, Unilever, Upfield, Vandemoortele

## Ownership Information

PKPP Plantation Sdn Bhd and LKPP Corporation Sdn Bhd are both wholly owned by Perbadanan Kemajuan Pertanian Negeri Pahang (PKPP),<sup>1</sup> the Pahang State Agricultural Development Corporation.

PKPP is 'state owned', according to a 2017 annual report of Mentiga Corporation Sdn Bhd.<sup>2</sup> In 2017, the Chairman of Mentiga was listed as Dato 'Sri Diraja Haji Adnam Bin Haji Yaakob, the Chief Minister of Pahang. In 2017, he was listed as the Chairman of the following state-owned companies: Perbadanan Kemajuan Negeri Pahang (PKNP), Amanah Saham Pahang Bhd (ASPA) and Pahang State Foundation (Yayasan Pahang), which wholly owns YP Plantations Sdn Bhd which in turn owns YP Plantations Holdings Sdn Bhd.

Therefore, the Pahang State government is the parent (group) level owner of the companies featured in Rapid Response reports 30 and 31 (see table below). Furthermore, one trader has noted that 'Since both PKNP and PKPP are state-owned, there is a very high likelihood that the ultimate parent ownership is the Royal Family of Pahang.'

<b>Pahang state-owned companies</b>	<b>Rapid Response report</b>
PKPP Plantation Sdn Bhd	30, 31
LKPP Corporation Sdn Bhd	30, 31
Menting Corporation Sdn Bhd	30
YP Plantations Holdings Sdn Bhd	30
Amanah Saham Pahang Bhd (ASPA)	30
Perbadanan Kemajuan Negeri Pahang (PKNP), including PKNP Agro Sdn Bhd	31

1. Corporate profile for PKPP Plantation Sdn Bhd; LKPP Corporation Sdn Bhd website, [www.lcsb.com.my](http://www.lcsb.com.my)
2. Menting Corporation Annual Report (2017), <https://app.box.com/s/2vssz5o63qxt8ypd8j2zoylxhpz6ghfn>

## Case Notes

The previous Rapid Response report, Report 30, released August 6, 2020 – included an initial case on PKPP Plantation Sdn Bhd at a different location: Sungai Charu. Most of the deforestation in the new case presented in this report, Cherating, has taken place after August 6, 2020.

At the time of publishing this report, a total of 10 companies – linked to PKPP Plantation Sdn Bhd through LKPP Plantations Sdn Bhd – have now filed a grievance on the original PKPP case: ADM, Bunge, Cargill, Fuji Oil, IOI, KLK, LDC, Musim Mas, Neste and Pacific Interlink (PIL.)

In Bunge's [grievance log](#), for example, the company states: "A meeting with a representative of Perbadanan Kemajuan Pertanian Negeri Pahang's (**PKNP**) board was held on September 9<sup>th</sup>. Follow up meeting is scheduled for October 5<sup>th</sup>. We have requested that LKPP/PKPP to publish and commit to an NDPE policy, moratorium on clearing for palm and agree a recovery plan."

Note: Bunge's grievance log refers to Perbadanan Kemajuan Pertanian Negeri Pahang as '**PKNP**', which stands for Perbadanan Pertanian Negeri Pahang (i.e. the Pahang State Agricultural Corporation.) The correct acronym for Perbadanan Kemajuan Pertanian Negeri Pahang is 'PKPP' (i.e. the Pahang State Agricultural Development Corporation.)

At the time of publishing this report, companies that have so far failed to register the original PKPP case as a grievance are AAK, COFCO Int., Felda IFFCO, Itochu, Lipsa, Mewah, Oleon and Wilmar.

In the case of Wilmar, the company's grievance procedure (June 2019) requires the company to "prepare a grievance dossier and contact [the] Grievance Raiser... within five working days of receiving the original grievance and within three weeks submit a response letter to the Grievance Raiser to update on the case" after engaging with the supplier and stakeholders to verify the case. Under Wilmar's Suspend then Engage approach, which took effect in January 2019, "New grievances with verified proof of deforestation or peatland development will result in an immediate suspension of the supplier at the Group level." **It is now almost three months since Wilmar received the original grievance on this case and the company has yet to publicly disclose whether it has now suspended LKPP at the Group-level (ie the Pahang State), as required by its grievance procedure. The company has also not communicated such a decision to Mighty Earth.**

The last communication we received from Mewah on the original case was that they were waiting for a response from their supplier. No such communication has been received from AAK, COFCO Int., Felda IFFCO, Itochu, Lipsa, Mewah or Oleon.

## Mapping analysis

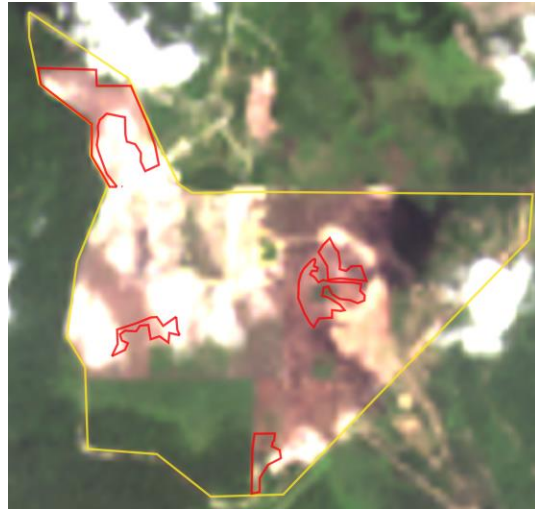
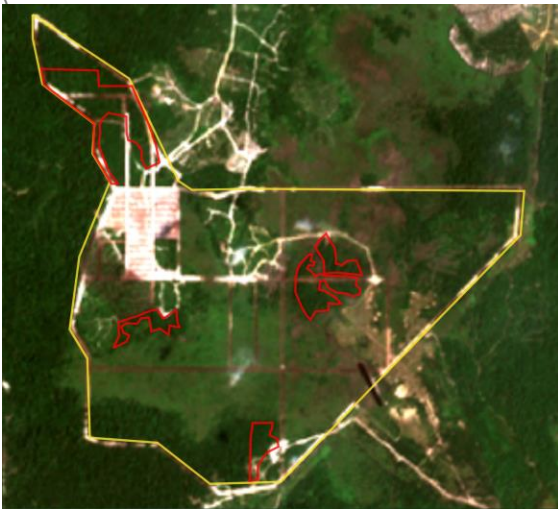


## Alert Imagery (before and after satellite images)

Clearance location: (4.179128, 103.343949)

Date: March 3, 2020

Date: October 27, 2020



# New Case

## Group/Parent: Pahang State

Perbadanan Pertanian Negeri Pahang, PKNP (Tembeling)

Concession location: 4.299997, 102.643704

### Deforestation and/or peat development

Report	Deforestation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 31	71	-	-	-	Period 1 (June-Nov 2019) - Period 2 (Dec 2019-May 2020)
	22	-	-	-	Period (Dec 2019-May 2020) - Oct 27, 2020

3-month composite Planet satellite imagery (see below) shows that between the period of June-November 2019 and the period of December-May 2020, a total of 71 hectares of forest was cleared in the Perbadanan Pertanian Negeri Pahang (PKNP)(Tembeling) concession. A further 22 hectares of forest was cleared between the 3-month period of December-May 2020 and October 27, 2020 (Imagery: 2019-2020 Planet Labs Inc. and NASA, Landsat 8)

### Supply Chain Information

Company/Group	Trader	Biofuel	Consumer Brand
Perbadanan Kemajuan Negeri Pahang (PKNP), Pahang state-owned	-	-	-
LKPP Corporation Sdn Bhd (Pahang State-owned)	AAK, ADM, Bunge, Cargill, COFCO Int., Felda IFFCO, Fuji Oil, GAR, IOI, Itochu, KLK, Lipsa, Louis Dreyfus, Mewah, Musim Mas, Oleon, PIL, Sime Darby, Wilmar	Neste	Avon, Colgate-Palmolive, Danone, FrieslandCampina, General Mills, Hershey, Johnson & Johnson, Kellogg, Mars, Mondelez, Nestle, Nisshin OilliO, PepsiCo, PZ Cussons, Reckitt Benckiser, Unilever, Upfield, Vandemoortele

## Ownership Information

The concession is owned by Perbadanan Kemajuan Pertanian Negeri Pahang (PKNP), Pahang State Agricultural Corporation.<sup>3</sup>

PKNP is 'state owned', according to a 2017 annual report of Mentiga Corporation Sdn Bhd.<sup>4</sup>

In 2017, the Chairman of Mentiga was listed as Dato 'Sri Diraja Haji Adnam Bin Haji Yaakob, the Chief Minister of Pahang. In 2017, he was listed as the Chairman of the following state-owned companies: Perbadanan Kemajuan Negeri Pahang (PKNP), Amanah Saham Pahang Bhd (ASPA) and Pahang State Foundation (Yayasan Pahang), which wholly owns YP Plantations Sdn Bhd which in turn owns YP Plantations Holdings Sdn Bhd.

Therefore, the Pahang State government is the parent (group) level owner of the companies featured in Rapid Response reports 30 and 31 (see table below). Furthermore, one trader has noted that 'Since both PKNP and PKPP are state-owned, there is a very high likelihood that the ultimate parent ownership is the Royal Family of Pahang.'

<b>Pahang state-owned companies</b>	<b>Rapid Response report</b>
Perbadanan Kemajuan Negeri Pahang (PKNP), including PKNP Agro Sdn Bhd	31
PKPP Plantation Sdn Bhd	30, 31
LKPP Corporation Sdn Bhd	30, 31
Menting Corporation Sdn Bhd	30
YP Plantations Holdings Sdn Bhd	30
Amanah Saham Pahang Bhd (ASPA)	30

3. PKNP reports obtained confidentially

4. Mentiga Corporation Annual Report (2017), <https://app.box.com/s/2vssz5o63qxt8ypd8j2zoylxhpz6ghfn>



## Mapping analysis

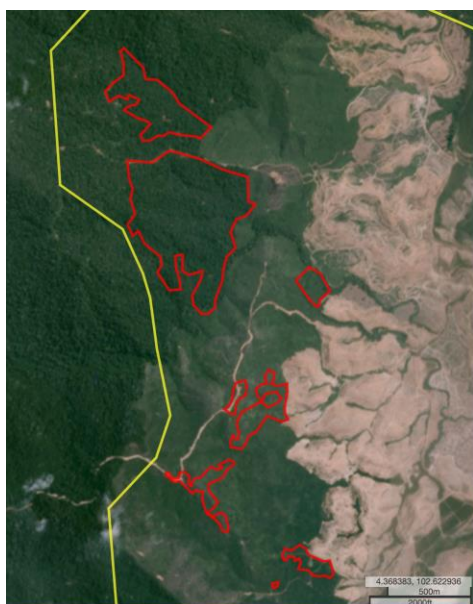


## Alert Imagery (before and after satellite images)

Clearance location: (4.373687, 102.625415)

Date: Period of June 2019-Nov 2019  
(based on 3-month composite Planet image)

Date: Period of Dec 2019-May 2020  
(based on a 3-month composite Planet image)



1. PKNP reports obtained confidentially
2. RSPO, [https://drive.google.com/file/d/16lwiPtr95UjztUryQQxTGI\\_oGYnIDflw/view](https://drive.google.com/file/d/16lwiPtr95UjztUryQQxTGI_oGYnIDflw/view)

## Mapping analysis (cont.)

### Alert Imagery (before and after satellite images)

Clearance location: (4.378272, 102.622548)

Date: Period of Dec 2019-May 2020  
(based on a 3-month composite  
Planet image)

Date: Oct 27, 2020

