



MIGHTY EARTH



RAPID RESPONSE

Palm Oil Report

Report 32
January 2021



Prepared with

MapHubs
Waxman

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Cases identified using Landsat and Planet imagery

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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@mightyeearth.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 "Supply Chain Information" tables.

New Case

Group: SIPEF

PT Agro Muara Rupit

Concession location: -2.024166, 115.071202

Deforestation and/or peat development

Report	Deforestation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 32	267	-	-	-	May - October 2020

Satellite imagery (see page 5) shows that, between May and October 2020, a total of 267 hectares of forest were cleared in the PT Agro Muara Rupit (west estate) concession. (Imagery: 2019-2020 Planet Labs Inc.)

Supply Chain Information

Company/Group	Trader	Biofuel	Consumer Brand
SIPEF	AAK, ADM, Bunge, Cargill, COFCO, Fuji Oil, GAR, Louis Dreyfus, KLK, Musim Mas, Olam, Oleon, Sime Darby, Wilmar	Neste	Colgate-Palmolive, Danone, Ferrero, FrieslandCampina, General Mills, Hershey, Johnson&Johnson, Kellogg, Mars, Mondelez, Nestle, P&G, PepsiCo, PZ Cussons, Reckitt Benckiser, Unilever, Upfield, Vandemoortele
PT Agro Muara Rupit	Wilmar		

Ownership Information

PT Agro Muara Rupit is part of the SIPEF group.¹

1. SIPEF Annual Report (2019), www.sipef.com/media/2219/sip-ar19-part-2-financial-statements-en.pdf

Case Notes

For this case, it appears SIPEF proceeded with development on the PT Agro Muara Rupit before its HCV-HCSA assessment had been completed.

[SIPEF's website](#) claims that: *'All new [SIPEF] projects are developed after integrated HCV-HCSA assessments.'* As noted on the [HCVRN website](#), integrated HCV-HCSA assessment reports *'must follow the HCV-HCSA Assessment Report Template and be submitted for quality control by the HCVRN ALS.'*

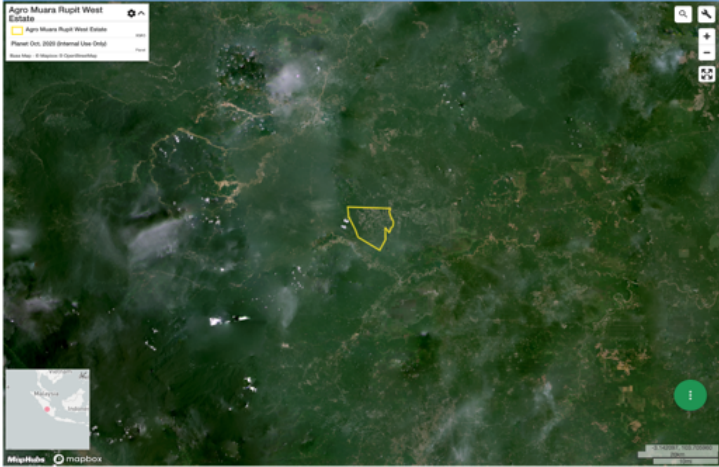
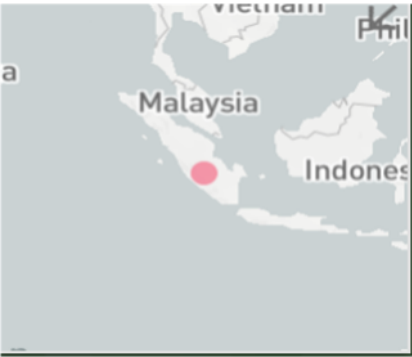
Further, the [HCRVN](#) - in response an ongoing conflict regarding clearing by PT Medco Papua Hijau Selaras (Capitol Group), as originally highlighted in March 2020 through [Rapid Response Report 25](#) - has recently given a set of *'general recommendations for companies using the ALS as a system to ensure quality of HCV and HCV-HCSA Assessments'*. These include a mandate to, *'Ensure no clearing is taking place during the HCV-HCSA assessment.'*

[Wilmar](#), a SIPEF customer, claims that its NDPE policy requires its suppliers to follow the HCS Approach to ensure that assessment are conducted by a registered HCS assessor and that the resulting *'HCS reports will be subjected to peer review to ensure the quality of the report.'*

According to the [HCSA website](#), assessments have been completed for the PT Agro Muara Rupit (I&II, and III&IV estates), but they are not listed as either being peer reviewed or having completed the peer review process. Hence, it appears that SIPEF has gone ahead with new land development in PT Agro Muara Rupit without submitting the report for review and waiting for the final HCV-HCS areas to be determined.

This would be a violation of many traders' requirements, including Wilmar's. Other traders and downstream companies should also determine that the clearance by SIPEF is a violation of their NDPE policies.

Mapping analysis

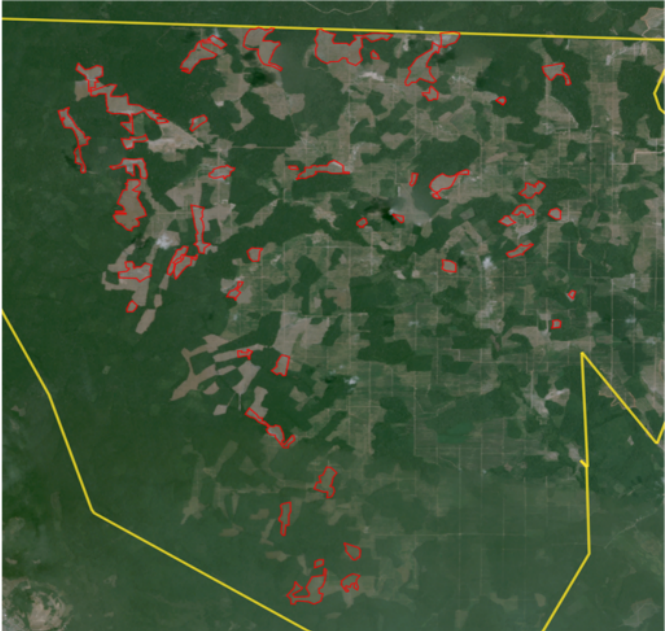
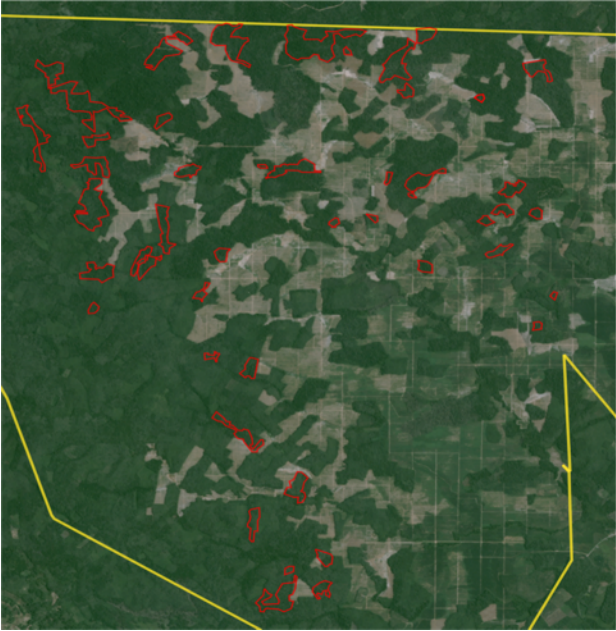


Alert Imagery (before and after satellite images)

Clearance location: (2.573560, 102.824512)

Date: May 2020

Date: October 2020



New Case

Group: Bunga

Value Greenworld Sdn Bhd

Concession location: 5.085965, 102.018124

Deforestation and/or peat development

Report	Deforestation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 32	255	-	-	-	Nov 2019 - October 2020

Satellite imagery (see page 7) shows that, between November 2019 and October 2020, a total of 255 hectares of forest were cleared in the Value Greenworld Sdn Bhd concession. (Imagery: 2019-2020 Planet Labs Inc.)

Supply Chain Information

Company/Group	Trader	Biofuel	Consumer Brand
Bunga	AAK, ADM, Bunge, Cargill, Fuji Oil, IOI, Itochu, KLK, Louis Dreyfus, Mewah, Musim Mas, Olam, Oleon, Pacific Inter-Link, Sime Darby, Wilmar	Neste	Colgate-Palmolive, Danone, FrieslandCampina, General Mills, Hershey, ISF, Kellogg, Mondelez, Nestle, Nisshin OilliO, P&G, PepsiCo, PZ Cussons, Reckitt Benckiser, Unilever, Upfield, Vandemoortele
Value Greenworld Sdn Bhd	-	-	-

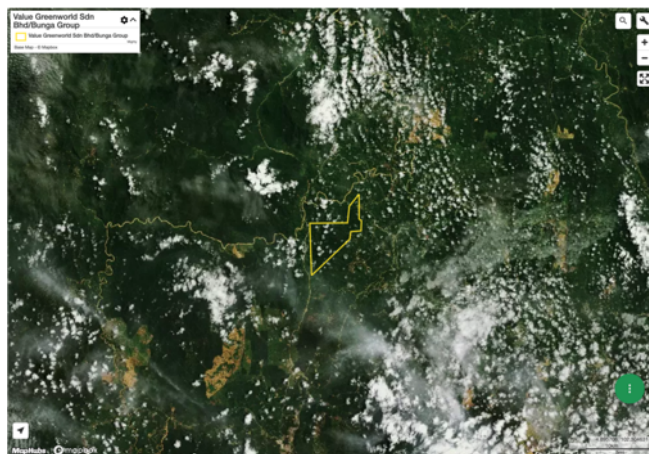
Ownership Information

Value Greenworld Sdn Bhd is part of the Bunga Realty Sdn Bhd (Bunga Group),² which owns Sayong Plantation Sdn Bhd and Sungei Kahang Palm Oil Sdn Bhd, for example.³

2. E.g. see MSPO Public Summary report: <https://www.sirim-gas.com.my/wp-content/uploads/2020/07/PS-MSPO-Stage-2-Pt-3-Sayong-Plantation.pdf>

3. Companies Commission of Malaysia company profiles

Mapping analysis



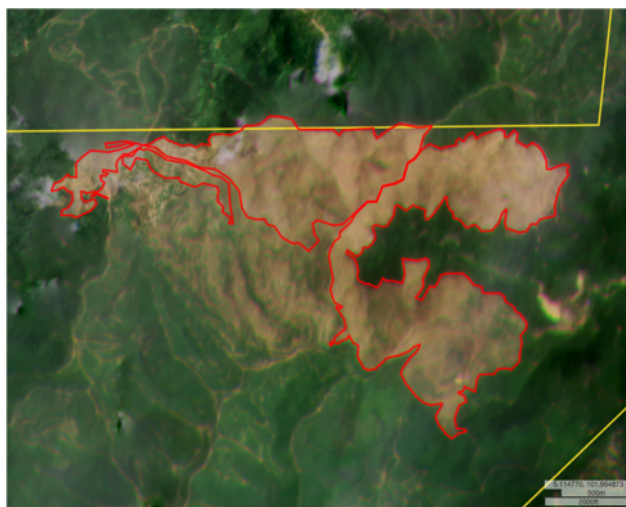
Alert Imagery (before and after satellite images)

Clearance location: (5.073051, 102.022529)

Date: Nov 2019



Date: October 2020



New Case

Group: Yayasan Pelajaran Johor (Johor State Government)

YPJ Plantations Sdn Bhd (Ladang SSI Sg Ara)

Concession location: 2.024186, 103.865301

Deforestation and/or peat development

Report	Deforestation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 32	68 (Oct 26, 2017 - May 8, 2018) 10 (May 8, 2018 - October 2020)	-	-	-	Oct 26, 2017- October 2020

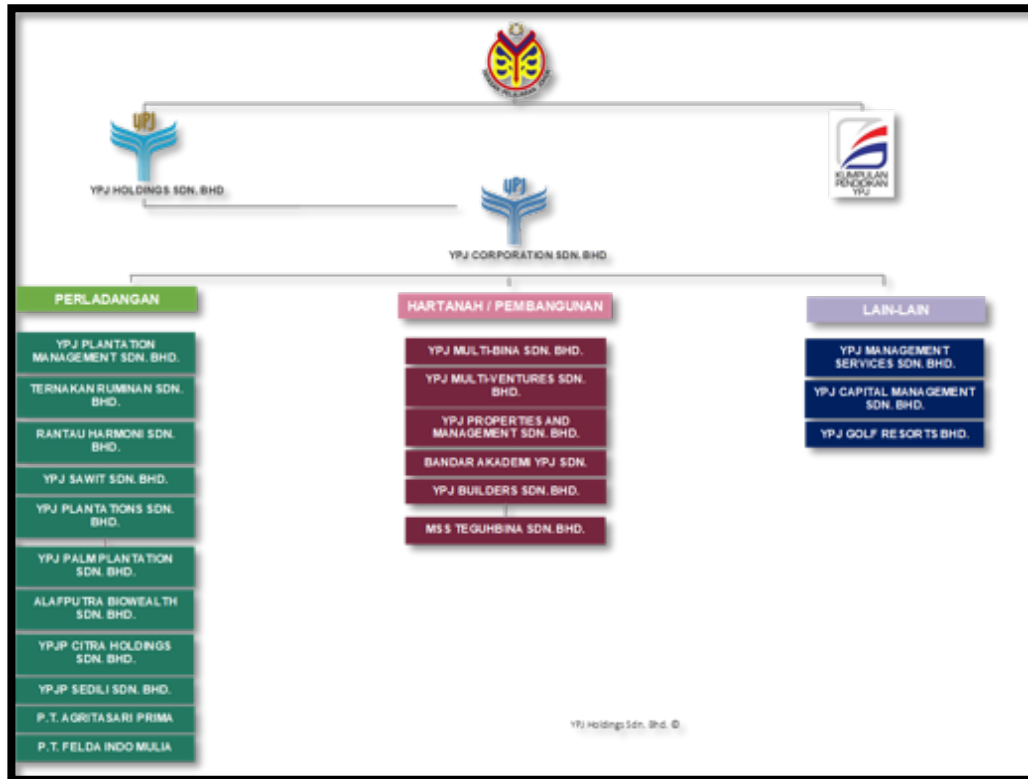
Satellite imagery (see below) shows that, between October 26, 2017 and October 2020, a total of 78 hectares of forest were cleared in the YPJ Plantations Sdn Bhd (Ladang SSI Sg Ara) concession. (Imagery: Landsat 8 and 2019-2020 Planet Labs Inc.)

Supply Chain Information

Company/Group	Trader	Biofuel	Consumer Brand
Ladang SSI Sg Ara	-	-	-
YPJ Holdings Sdn Bhd	AAK, ADM, Bunge, Cargill, Fuji Oil, IOI, Mewah, Olam, Oleon, Pacific Inter-Link, Lipsa, Louis Dreyfus, KLK, Sime Darby, Wilmar	-	Colgate-Palmolive, Danone, FrieslandCampina, General Mills, Hershey, Johnson&Johnson, Kellogg, Mondelez, Nestle, Nisshin OiliO, PepsiCo, P&G, PZ Cussons, Reckitt Benckiser, Unilever, Upfield

Ownership information

YPJ Plantations Sdn Bhd (Ladang SSI Sg Ara) is part of YPJ Holdings Sdn Bhd, owned by Yayasan Pelajaran Johor (Johor State government.) The group also owns PT Felda Indo Mulia and PT Agri Sari Prima concessions in Indonesia.⁴



Case Notes

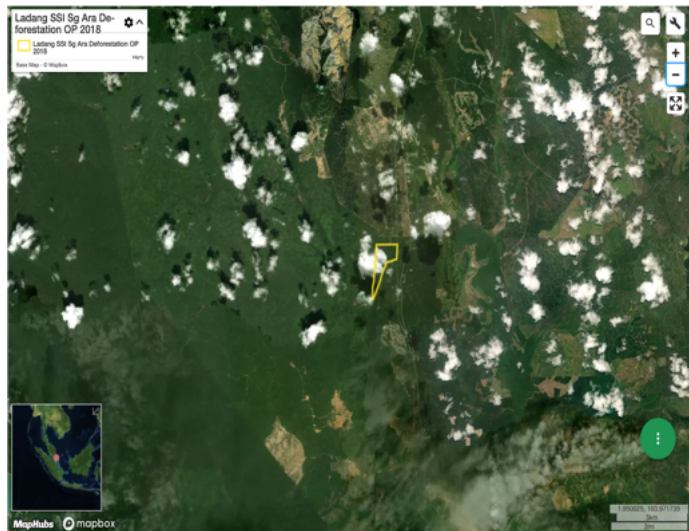
As shown above, most of the recent deforestation in the YPJ Plantations Sdn Bhd (Ladang SSI Sg Ara) concession took place in 2018. The remaining forest areas in the southern tip of the concession were cleared between November 2018 and October 2020. YPJ Holdings Sdn Bhd has now finished clearing all remaining forest in Ladang SSI Sg Ara.

During this period, YPJ Holdings Sdn Bhd has been in the supply chains of several traders that adopted NDPE policies prior to 2018. This case demonstrates that their policies have been violated.

The case has been highlighted (as a grievance) to ensure that traders continuously sourcing from YPJ Holdings Sdn Bhd enforce their NDPE policies with the company at the group level and investigate whether the group intends to develop any more forest land held by Yayasan Pelajaran Johor (Johor State government). Traders should also require the group to adopt an NDPE policy as a condition for future trade.

4. YPJ Holdings Sdn Bhd website: www.y pjh.com.my/ypjh/struktur.html

Mapping analysis



Alert Imagery (before and after satellite images)

Clearance location: (2.024662, 103.857812)

Date: October 27, 2017 (Landsat 8)

Date: May 8, 2018 (Landsat 8)



Mapping analysis (cont.)

Alert Imagery (before and after satellite images)

Date: May 8, 2018 (Landsat 8)



Date: October 2020 (Planet)

