



Report 36
October 2021



Waxman

**MapHubs** 



#### **Table of Contents**

#### Cases identified using Planet and other spatial imagery

#### **Indonesian Companies**

PT Agincourt Resources: Jardines/Astra Group

#### **Malaysian Companies**

New case

Innoprise Plantations Bhd 11

Unresolved case

LPF 0008: Samling

## **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 company 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.

Mighty Earth is now including biofuel companies and other manufacturers 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 companies are listed in the "Supply Chain Information" tables.



3

## **Unresolved Case**

## Group: Jardines/Astra International Tbk

PT Agincourt Resources Tbk

Mine location: 1.512029, 99.060910

#### **Deforestation and/or peat development**

Report	Forest or Tree Cover Loss. TCL (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Donort 22	~60 TCL	-	-	-	2016-2018
Report 33	~40 TCL				2019-2020
Report 34	~5 Forest Loss				April-May 2021
Report 36	~8 Forest Loss				June 6, 2021 - Sept 28, 2021

Between June 6 and September 28, 2021, there were ~8 hectares of forest loss within the Martabe Mine area of PT Agincourt Resources Tbk (Imagery: 2021 Planet Labs Inc.). As shown in the maps on pages 5-10 below, the vast majority of this forest loss is located within areas mapped as High Carbon Stock (HCS) forest (source: <u>Lang et al. 2021</u>) and Tapanuli orangutan habitat.

At the same time as the expansion has been taking place, the IUCN representatives have been in dialogue with senior Jardine staff to get the group to agree a 'moratorium on projects impacting the Critically Endangered Tapanuli orangutan' and develop activities to allow the IUCN to work with experts to develop a conservation management plan for the orangutan. Despite months of negotiations, Jardine has still not agreed to the moratorium nor formalized a memorandum of understanding with the IUCN.

A Planet time-lapse series of images showing deforestation within the vicinity of the Martabe mine can be **viewed here.** (Imagery: 2016-2021 Planet Labs Inc.).

## **Supply Chain Information**

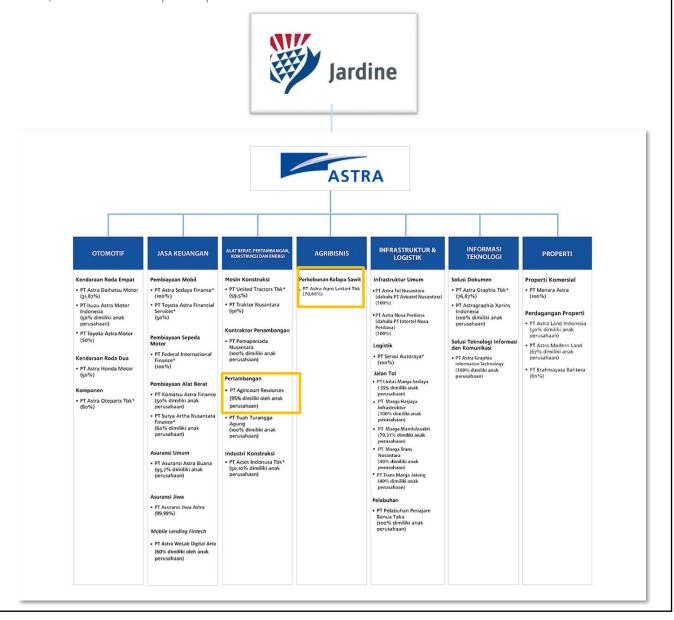
Company/Group	Traders	Biofuel / other manufacturers	Consumer Brands
Astra International Tbk through Astra Agro Lestari.	AAK, ADM, Apical, Bunge (indirect) Cargill, COFCO Int, Fuji Oil, GAR, IFFCO, Itochu, KLK,LDC, Mewah, Musim Mas, Olam, Pacific Interlink, Sime Darby, Wilmar	BASF, Lipsa, Neste, Oleon	Colgate-Palmolive, Danone, Ferrero Rocher, Friesland Campina, General Mills, Hershey, Johnson & Johnson, Kellogg's, Mondelēz, Nestlé, P&G, PepsiCo, PZ Cussons, Reckitt Benckiser, Upfield, Unilever, Vandemoortele

### Information on Group and Ownership

Astra International Tbk is a subsidiary (50.11%) of Jardine Cycle and Carriage Ltd, a holding company of Jardine Matheson Holdings Ltd which is registered in Bermuda, a British tax-haven.<sup>1</sup>

Neither Astra Group, nor its parent company, Jardine Matheson Group, currently have a public group-wide 'No Deforestation, No Peat, No Exploitation' (NDPE) commitment, a 'forest conservation policy' nor a policy to protect High Conservation Values (HCVs). Only Astra's palm oil division, Astra Agro Lestari Tbk, which accounts for a mere 6% of Astra's business portfolio in 2020, <sup>2</sup> has thus far adopted an NDPE commitment (i.e. a divisional NDPE policy).

In December 2018, Astra Group acquired shares of PT Agincourt Resources Tbk through Astra's subsidiary, United Tractors Tbk. As of the end of 2020, Astra Group controls 56.52% of PT Agincourt Resources Tbk (Astra's gold mining company) and 79.68% of Astra Agro Lestari Tbk (Astra's palm oil division). See Astra Group's corporate structure below.<sup>3</sup>



1.Jardine Matherson Holdings Ltd, Annual Report 2020, <a href="https://www.bsx.com/CompanyDocuments/130/JMH%20Annual%20Report%202020.pdf">www.bsx.com/CompanyDocuments/130/JMH%20Annual%20Report%202020.pdf</a>; Jardine Cycle & Carriage Ltd, Annual Report 2020, <a href="https://www.jcclgroup.com/sites/jccl-group/files/jccl/annual-report-2020/documents/JCC\_AR20.pdf">www.jcclgroup.com/sites/jccl-group/files/jccl/annual-report-2020/documents/JCC\_AR20.pdf</a>

2, 3. Astra International Tbk Annual Report 2020, www.astra.co.id/Public/Annual-Report/2020-Annual-Report.pdf.



### **Case Notes: United Tractors' position on HCS/HCV**

In response to this case first being published in Rapid Response Report 33 (April 2021), United Tractors responded to palm oil traders sourcing from its sister company, Astra Agro Lestari, by claiming that PT Agincourt Resources has:

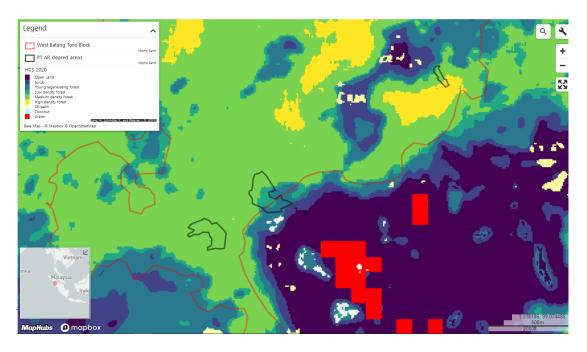
'undertaken a range of biodiversity management activities to date, including <u>ensuring that no</u> <u>development takes place in areas with High Conservation Value (HCV) and High Carbon</u> Stock (HCS)'.

This is Sara Loebis, Corporate Secretary of United Tractors/ UT. Thank you for your email. Responding to the Rapid Response Report 33, please find our response below:

PT Agincourt Resources (PTAR) as operator of the Martabe Gold Mine (Martabe) have always attached importance to support biodiversity in and around the concession. PTAR has undertaken a range of biodiversity management activities to date, including ensuring that no development takes place in areas with High Conservation Value (HCV) and High Carbon Stock (HCS).

If the claim ('ensuring that no development takes place in areas with High Conservation Value (HCV) and High Carbon Stock (HCS)') was credible, it would assume that PT Agincourt Resources was already applying an NDPE policy, incorporating the High Carbon Stock Approach (HCSA) and HCV assessment processes. Mighty Earth and a number of companies have written to United Tractors asking that they provide independent evidence to support this claim. To date, no evidence has been provided by United Tractors nor Astra Agro Lestari. United Tractors has not responded to Mighty Earth emails.

As shown in the mapping analysis below, PT Agincourt Resources continues to expand the mining operations by clearing forests areas within the immediate vicinity of the Martabe processing plant. The maps shows these areas being cleared are likely to be High Carbon Stock (HCS) forest based on the indicative map published by <a href="Lang et al. 2021">Lang et al. 2021</a>: The orange outline shows Tapanuli orangutan habitat; the black outline shows areas cleared between June 6 and September 28, 2021.



### Case Notes (cont.): Palm oil industry action vs inaction

There is a growing realisation amongst consumer goods companies and retailers that sourcing 'sustainable' commodities from unsustainable suppliers is not ethical. As the Sainsbury's, a major British supermarket chain, puts it:

'Whilst setting clear expectations for its own products is an important first step, this isn't sufficient. Shifting from sustainable supply to sustainable supplier means working with its suppliers and the traders they source from to ensure that they are not contributing to deforestation elsewhere in their operations.' CGF Forest Positive Coalition Annual Report (2021)

### **AMBITIONS TO ACTIONS**

## Sainsbury's

Sainsbury's is committed to eliminating deforestation from its supply chains, but it has learned that acting on individual supply chains will not alone drive the transformation needed to address deforestation. Whilst setting clear expectations for its own products is an important first step, this isn't sufficient. Shifting from sustainable supply to sustainable supplier means working with its suppliers and the traders they source from to ensure that they are not contributing to deforestation elsewhere in their operations.

#### The leaders on the Jardines/Astra case, so far:

In response to this case, a number of consumer brand companies sourcing palm oil from Astra Agro Lestari have communicated with their suppliers asking that the Astra Group takes action to address this case. For example:

Hershey's <u>grievance log</u> states: 'We've requested our direct suppliers share information on engagement with PT Astra Agro Lestari (PT AAL), the need for a moratorium on land clearing by Agincourt Tbk pending completion of HCV/HCS assessment of the concession as well the need for Astra International / Jardine Matheson to develop and commit to a cross-commodity group-wide NDPE policy.'

Unilever's <u>grievance log</u> states: 'We have stated our concerns on the allegations to the company and encouraged to halt developments before HCS/HCV assessments have been completed and submitted for independent review.

PZ Cussons has confirmed to Mighty Earth that its 'NDPE and grievance approach is cross-commodity group-wide' and for this case: 'all suppliers related to AAL are being engaged with. We have also shared our recommendation for direct engagement with Jardines, to request a moratorium and a clear plan on how they will ensure HCV-HCS protection across the whole concession [and] involve the IUCN to develop a risk mitigation strategy to protect the Tapanuli Orangutan.'

Oleon (Avril group) - a Belgian oleochemical producer - has informed Mighty Earth that the company has communicated the following demand to its direct suppliers sourcing from Astra Agro Lestari: 'The halting of deforestation activities by its sister company PT Agincourt Resources and ..the request to have an NDPE commitment on Astra/Jardine Group level.'

Lipsa (Spain) has informed Mighty Earth that it is no longer exposed to the Astra Group.

### Case Notes (cont.): Palm oil industry action vs inaction

Mighty Earth also approached traders linked to this case.

Bunge informed Mighty Earth that it 'stopped sourcing from Astra Agro Lestari Group since December 2020.'

PIL/HSA Group - a group linked to companies involved in <u>deforestation in Papua</u> - has published the case in its <u>grievance log</u>, stating that PT Agincourt Resources responded claimed that 'they always provide importance to biodiversity within their concession by detailed flora and fauna study prior to land clearing.' PIL claims it has 'further requested for credible evidence from PT AR to determine if the allegation took place within the HCV area and remediation plan if the allegation is proven.'

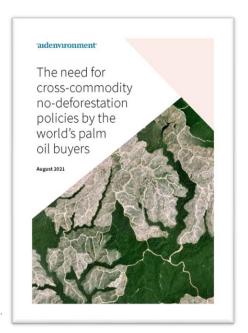
The partly Chinese state government owned company, COFCO International informed Mighty Earth that the company is 'closely following the case, <u>reminding Tier 1 suppliers about our expectations and asking them to address the case</u> and inform us of the measures they take.' COFCO International is linked to Astra Agro Lestari through GAR.

#### The Laggard traders on the Jardines/Astra case, so far:

Neither ADM, Cargill, GAR, LDC, Mewah, Musim Mas, Sime Darby nor Wilmar have so far informed Mighty Earth that they are willing to engage with the Astra Group to address the grievance in a meaningful way.

By implication, these traders appear to deem that the wider actions of the Astra Group in driving the Tapanuli orangutan closer to extinction are none of their business or risk to their brand, as the company is not planting oil palm in the areas of deforestation.

Most of these traders, and other not listed above, have been linked to groups involved in the clearing of rainforest for timber plantations in a <u>recent report</u> by Aidenvironment called 'The need for cross-commodity no-deforestation policies by the world's palm oil buyers'. The report documents over 133,000 hectares of deforestation (Jan 2016-March 2021) linked to 10 groups in Indonesia and Sarawak, Malaysia. Hence, action is needed by these traders on multiple producer groups still involved in deforestation.



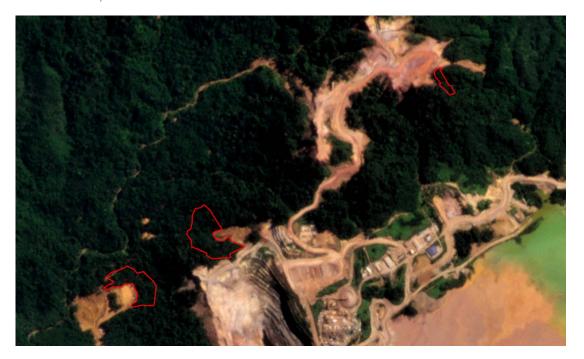
	DEFORESTING COMPANY GROUP	DEFORESTATION FOR INDUSTRIAL TREES 2016 - MARCH 2021 (HA)	PALM OIL REFINERS THAT ARE KNOWN BUSINESS PARTNERS OF THE DEFORESTING COMPANY GROUPS (DIRECT BUYERS)
	RGE connected: Nusantara Fiber	29,336	RGE (Apical), Musim Mas, Wilmar, HSA Group/Pacific Inter-Link
	Djarum	10,833	Wilmar, Wings
79 00	RGE connected: Adindo Hutani Lestari	5,335	RGE (Apical), Musim Mas, Mewah, KLK, Wilmar, Sinar Mas (GAR), HSA Group/ Pacific Inter-Link
Indonesia	Alas Kusuma	5,862	Itochu Corporation**
	Jhonlin*	7,929	Sime Darby, Wings, Bina Karya Prima
	Hardaya	2,269	Musim Mas, Wilmar, Wings
	Sampoerna	1,382	Sinar Mas (GAR), Louis Dreyfus, Musim Mas, Wahana Citra Nabadi, RGE (Apical)
sysia)	Rimbunan Hijau	30,110	Wilmar, BLD Plantation, Sarawak Oil Palms
/ak (Maio	Samling	25,643	BLD Plantation
Sarawak (Malaysia)	Shin Yang	14,341	Cargill, KLK, Sinar Mas
	TOTAL	133,040	



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

Clearance location: (1.519151 99.060993)

Date: June 6, 2021



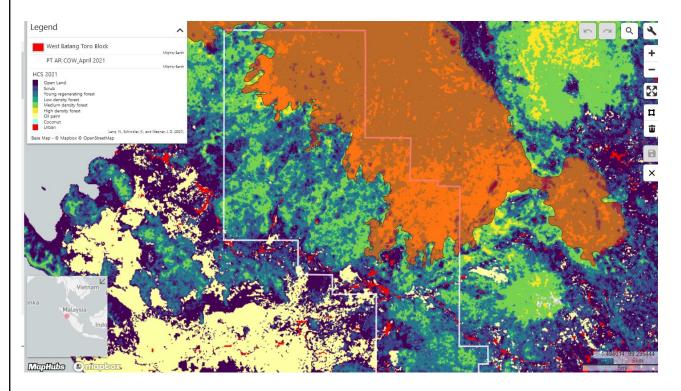
Date: September 28, 2021



# PT Agincourt Resources known expansion plans - the urgent case for a moratorium on deforestation

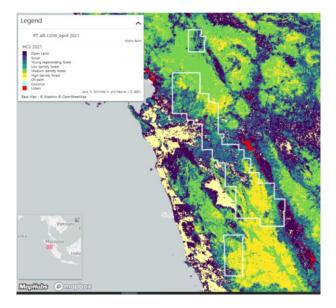
In April 2019, the <u>IUCN</u> called for a 'moratorium on projects impacting the Critically Endangered Tapanuli orangutan' and 'for the development and adoption of a conservation management plan for the Tapanuli orangutan based on an independent, objective Population and Habitat Viability Assessment before any projects potentially impacting the species advance any further.'

The map below shows the northern part of the PT Agincourt Resources 'Contract of Works, overlayed with data showing areas mapped as Tapanuli orangutan habitat (source: <u>Lang et al. 2021</u>): the total area of overlap is around 24,000 ha.



The map below, which shows the overall concession boundaries of the PT Agincourt Resources 'Contract of Works' overlayed with data from the HCS map (source: <u>Lang et al. 2021</u>), indicates that are large portion of the northern and southern part of the concession is covered by HCS

forest.



# PT Agincourt Resources known expansion plans - the urgent case for a moratorium on deforestation (cont.)

The recent deforestation of Tapanuli orangutan habitat and HCS forest areas, shown in the maps above, is only the beginning of PT Agincourt Resources' expansion plans to feed the Martabe plant where the ore is crushed and processed to extract the gold. According to PT Agincourt Resources documents, the company wants to run this plant until at least 2034, which will mean that it will need to identify and open up new mining deposits to keep the plant running 24hours a day.

The maps below show the known locations of PT Agincourt Resources expansion plans (mining pits and identified gold deposits), based on published data.

The first map shows 4 expansion sites that are located within close proximity to the Martabe plant and within Tapanuli orangutan habitat and indicative areas as High Carbon Stock (HCS) forest.

The second map shows 2 expansion sites within the northern section of the concession area (about 10-20km north of the Martabe plant) which are also located within Tapanuli orangutan habitat and indicative areas of High Carbon Stock (HCS) forest.





# **New Case**

## **Group: Yayasan Sabah** Innoprise Plantations Bhd

Concession location: (4..804256 117.358419)

#### **Deforestation and/or peat development**

Report	Deforestation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 36	91	-	-	-	Nov 2020 - Aug 2021

Satellite imagery (see below) shows that between Nov 2021 and Aug 2021 a total of 91 hectares of forest was cleared in the Innoprise Plantation concession. (Imagery: 2020-2021 Planet Labs Inc)

## **Supply Chain Information**

Company/Group	Trader	Biofuel Company	Consumer Brand	
Innoprise Plantation Bhd	AAK, ADM, Bunge LC, Cargill, Fuji Oil, Mewah, IFFCO, IOI, KLK, LDC, Olam,Sime Darby, Wilmar	BASF, Oleon,	Colgate Palmolive, Friesland Campina, General Mills, Hershey, Johnson&Johnson, Kelloggs, L'Oreal, Nestle, Pepsico, P&G, PZ Cussons, Reckitt Benckiser, Unilever, Upfield, Vandermoortele	
AAK, ADM, Bunge LC, Cargill, Fuji Oil, BASF, Mewah, IFFCO, IOI, KLK, LDC, Olam,Sime Darby, Wilmar		BASF, Oleon,	Colgate Palmolive, Friesland Campina, General Mills, Hershey, Johnson&Johnson, Kelloggs, L'Oreal, Nestle, Pepsico, P&G, PZ Cussons, Reckitt Benckiser, Unilever, Upfield, Vandermoortele	



### **Information on Group and Ownership**

Innoprise Plantation Bhd is a subsidiary (50.22%) of Innoprise Corporation Sdn Bhd, a wholly owned subsidiary (100%) of the Yayasan Sabah Group,<sup>4</sup> which also own oil palm plantations in Sabah through Benta Wawasan Sdn Bhd.<sup>5</sup>

Innoprise Plantation Bhd website does not indicate that the company has adopted an NDPE. However, as the company is an RSPO member, it should be applying the High Carbon Stock Approach (HCSA) as its main no deforestation requirement under RSPO criterion 7.12.

No HCSA assessments for Innoprise Plantation could be found on the <u>HCSA website</u>. The HCVRN website still shows '<u>unsatisfactory' HCV assessment(s)</u> for Innoprise Plantation dated November 2018.

Innovation Plantations currently has <u>6 management units (MU) with potential liability</u>, under the RSPO Remediation and Compensation Procedures (RaCP)

<sup>5.</sup> Yayasan Sabah website, www.yayasansabahgroup.org.my/plantation.cfm



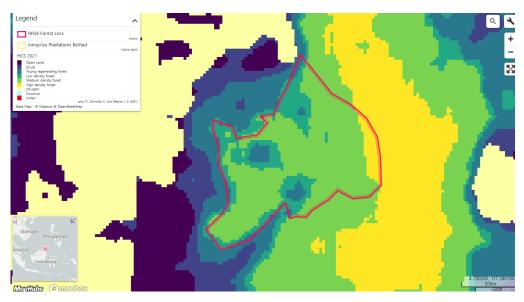
<sup>4.</sup> Innoprise Plantation Bhd website, <a href="https://innoprise.com.my/about/">https://innoprise.com.my/about/</a>



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

Clearance location: (4.791624, 117.280585)

The map below shows area of clearance is within areas identified as potential High Carbon Stock (HCS) forest (source: <u>Lang et al. 2021</u>)



Date: April 2021





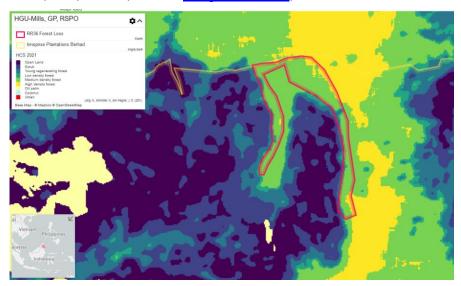
Date: June 2021



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

Clearance location: (4.826968, 117.286612)

The map below shows area of clearance is within areas identified as potential High Carbon Stock (HCS) forest (source: <u>Lang et al. 2021</u>)



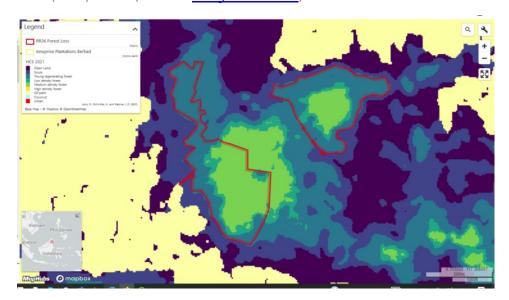
Date: Dec 2020 Date: Feb 2021



## Alert Imagery (before and after satellite images)

Clearance location: (4.759529, 117.304498 and 4.757151, 117.296567)

The map below shows area of clearance is within areas identified as potential High Carbon Stock (HCS) forest (source: <u>Lang et al. 2021</u>)



Date: Nov 2020



Date: Aug 2021



## **Unresolved Case**

## **Group: Samling**

## Samling LPF 0008 Merudi and Batu Belah

Concession location: (4.095721, 114.493447)

#### **Deforestation and/or peat development**

Report	Deforestation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 13	44	-	-	-	January 7, 2019 - February 16, 2019
Report 17	12 (GLAD)	-	-	-	May 19, 2019 - June 20, 2019
Report 19	13 (GLAD)	-	-	-	July 15, 2019 - August 15, 2019
Report 20	166 (GLAD)	-	-	-	August 15, 2019 - September 15, 2019
Report 21	9 (GLAD)	-	-	-	September 16, 2019 - October 15, 2019
Report 24	359	-	-	-	February 18, 2019 - January 7, 2020
Report 26	107	-	-	-	December 20, 2019 - March 19, 2020
Report 28	119 (GLAD)	-	-	-	April 21, 2020 - May 21, 2020
Report 30	61	-	-	-	March 29, 2020 - July 6, 2020
Report 36	417				June-Aug 2020 - Aug 2021

Satellite imagery (see below) shows that between the 3-month period June-August 2020 and August 2021 a total of 417 hectares of forest was cleared in the Samling LPF 0008 Merudi and Batu Belah concession. (Imagery: 2020-2021 Planet Labs Inc)

## **Supply Chain Information**

Company/Group	Trader	Biofuel Company	Consumer Brand
Samling	<b>BLD Plantations</b>	-	-
Potential Samling oil via BLD Plantations (see Case Notes below)	AAK, ADM, Bunge, COFCO Int, Fuji OII, KLK, Sime Darby	-	General Mills, Hershey's, Johnson & Johnson, Kellogg's, Nestle, Nisshin Oillio, Pepsico, PZ Cussons, Reckitt Benckiser, Unilever, Upfeld, Vandermootele

## **Information on Group and Ownership**

Samling LPF 0008 Merudi and Batu Belah is part of the Samling Group.<sup>1</sup>

### **Mapping analysis**





## Alert Imagery (before and after satellite images)

Clearance location: (4.106228, 114.474498)

Date: June-Aug 2020



Date: August 2021



Clearance location: (4.019651, 114.558217)

Date: June-Aug 2020



Date: August 2021



<sup>1.</sup> Samling Group website, www.samling.com/doc/Marudi%20FPMP%20Public%20Summary.pdf



#### **Case notes**

As of mid-2020, the following traders and producer groups have suspended the Samling Group due to violations of their NDPE policies: ADM, Bunge, Cargill, Fuji Oil, Genting Plantations, IOI, KLK, Kwantas Corporation, LDC, Sarawak Oil Palms (part of the Shin Yang group), Sime Darby, and Wilmar.

Colgate-Palmolive, Danone, FrieslandCampina, Hershey's, Nestlé, PZ Cussons, Reckitt Benckiser, Unilever and Upfield have also <u>instructed their suppliers</u> to suspend Samling, effectively placing the group on a 'No Buy' list. Further, General Mills, Johnson & Johnson, Kellogg's, Mars, P&G and PepsiCo have engaged with their palm oil suppliers to ensure Samling palm oil is not entering their supply chains.

#### KLK resumption of trade with Samling: Status Update

In August 2021, KLK grievance log stated that the company had 'decided to resume the trading relationship with Glenealy Plantations,' based on actions taken so far by Samling's palm oil division (Glenealy).

At the time of publication of this report, <u>KLK's grievance log</u> no long claims that it has resumed trading with Glenealy and now states that the company will 'discuss with other stakeholders on the action plans taken by Samling Group.' When asked to clarify this revised statement, KLK informed Mighty Earth, 'We had a discussion with a few stakeholders including EQ [Earth Equaliser] and decided not to resume trading with Samling until they clarify on certain outstanding matters.'

#### **BLD Plantations is still sourcing from Samling**

The Sarawak-based producer group BLD Plantations Bhd (a KTS Group company) continues to source from Samling despite adopting an NDPE policy and grievance protocol in 2019. Companies still sourcing from BLD in their most recent versions of mill lists are:

Palm Oil Traders potentially connected to Samling Group via BLD Plantations: AAK, ADM, Bunge, Fuji Oll and Sime Darby.

Mighty Earth requests that traders and consumer company brands still sourcing from BLD immediately file this case as a grievance and investigate this case accordingly.

