



MIGHTY EARTH



RAPID RESPONSE Palm Oil Report

Report 46
October 2024



Prepared with support from



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Cases identified using Planet and other spatial 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/or 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 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.

New Case

Group: Rimbunan Hijau

Palmraya Pelita Spapa Oya Plantation Sdn Bhd

Concession location: 2.402624, 112.09925

Deforestation and/or peat development

Report	Forest Loss/Clearance Preparation (ha)	Peat development inc forest areas (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 46	~114		-	-	Jan 2023 - July 2024

During the period between January 2023 and July 2024, there was ~114 ha of forest loss and clearance preparation in the Palmraya Pelita Spapa Oya Plantation Sdn Bhd concession. Source: Planet Inc. 2023-2024

Background information on Ownership, the Concession and other relevant issues.

Palmraya Pelita Spapa Oya Plantation Sdn Bhd is 40% owned by LCDA Holdings Sdn Bhd and 60% by Palmraya Plantation Sdn Bhd. Palmraya Plantation Sdn Bhd is 100% owned by Palmgroup Holdings Sdn Bhd.

Palmgroup Holdings Sdn Bhd is part of the Rimbunan Hijau Group, founded in 1975 by Tan Sri Datuk Tiong Hiew King. The Rimbunan Hijau Group CEO is currently Datuk Tiong Thai King, the younger brother of Tan Sri Datuk Tiong Hiew King.

Palmgroup Holdings Sdn Bhd is run by 3 directors: Datuk Tiong Thai King (CEO of Rimbunan Hijau) and his 2 sons, Tiong Chiong Hee (Executive Director of Jaya Tiasa Bhd) and Tiong Chiong Yong.

The Rimbunan Hijau Group also includes 3 publicly listed companies: Rimbunan Sawit Bhd, Jaya Tiasa Bhd and Subur Tiasa Bhd.

Supply Chain Information

Company/Group	Trader	Biofuel / other manufacturer	Consumer Brand
Palmraya Pelita Sepapa Oya Plantation Sdn Bhd	n/a	n/a	n/a
Palmgroup Palm Oil Mill Sdn Bhd	Cargill, Fuji Oil, Louis Dreyfus, Wilmar	BASF, Biesterfeld, Indorama, Innospec, Nikko Chemicals, Nisshin Oillio, Oleon, Symrise	Friesland Campina, Grupo Bimbo, Hershey, Mondelez, Nestle, Pepsi, PZ Cussons, Reckitt, Upfield, Vandemoortele
Rimbunan Hijau Group	ADM, Cargill, Fuji Oil, KLK, Louis Dreyfus, Olam, Wilmar	Avril, BASF, Biesterfeld, Indorama, Innospec, Nikko Chemicals, Nisshin Oillio, OFI, Oleon, Stearinerie Dubois, Symrise, Zschimmer and Schwarz	Avon, Barry Callebaut, Friesland Campina, Grupo Bimbo, Hershey, Johnson & Johnson, Kellogg, Meg Snow, Mondelez, Nestle, P&G, Pepsi, PZ Cussons, Reckitt, Upfield, Vandemoortele

Mapping analysis



The concession boundary for Palmraya Pelita Spapa Oya Plantation Sdn Bhd is from a 2018 MSPO audit report by SGS.

The high-resolution @ CNES Airbus image shows the land cover of the two southernmost impacted areas (red outline). These areas include closed canopy forest prior to the January 2022 start of development. These areas are surrounded by established oil palm plantations.

The most northern impacted area (red outline) extends outside the concession boundary (see deforestation map on page 7). It is unclear if the concession boundary extends further north than the boundary in the MSPO report or if the deforestation was not part of the company's development.



Mapping analysis (cont.)

Alert Imagery (before and after satellite images)

Clearance location (red outline): 2.402624, 112.099257

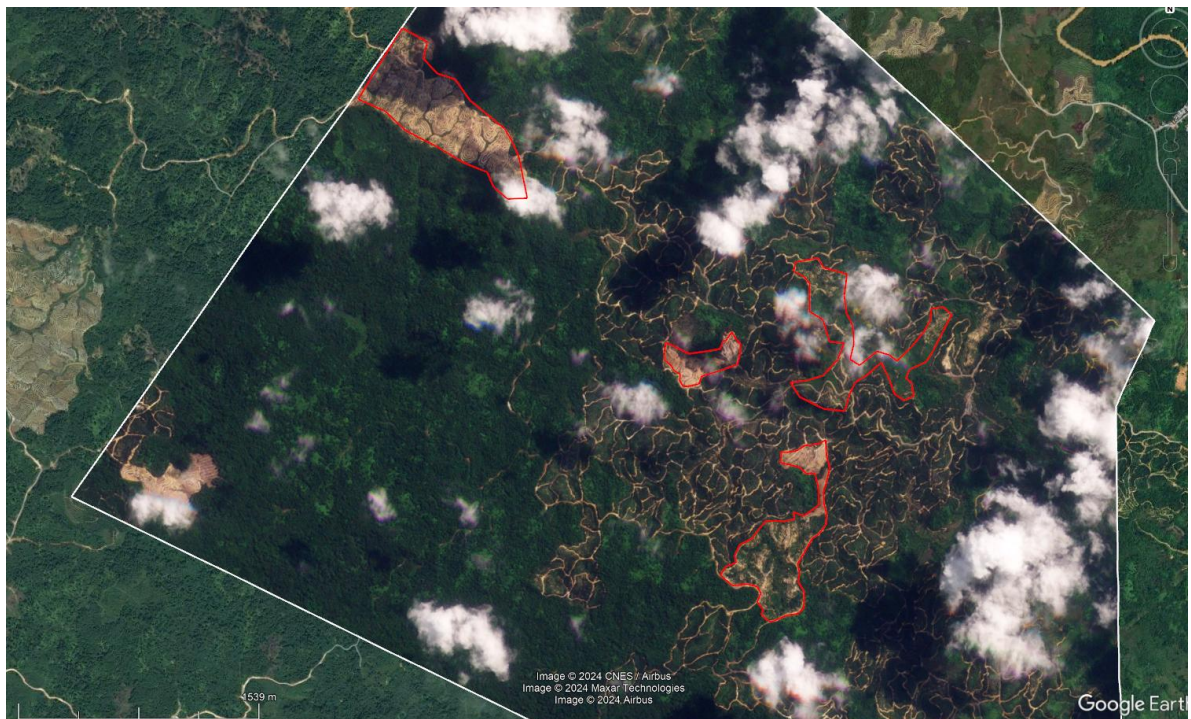
Date: Jan 2023

(Planet imagery)



Date: July 2024

(Planet imagery)



New Case

Group: Tetangga Akrab (suspected)

Pure Green Development Sdn Bhd

Concession location: 5.422384, 102.938656

Deforestation and/or peat development

Report	Forest Loss/Clearance Preparation (ha)	Peat development inc forest areas (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 46	~1,340 (planned)		-	-	Post August 2024

Pure Green Development Sdn Bhd is proposing to develop ~1,340 ha of land, mostly on peatland and secondary forest . Source: Pure Green Development Sdn Bhd, EIA Report

Supply Chain Information

Company/Group	Trader	Biofuel / other manufacturer	Consumer Brand
Pure Green Development Sdn Bhd	n/a	n/a	n/a
Tetangga Akrab	AAK, ADM, Cargill, Fuji Oil, KLK, Louis Dreyfus, Olam, SOPB, Wilmar	Avril, BASF, Biesterfeld, Indorama, Innospec, Nikko Chemicals, Nisshin Oillio, OFI, Oleon, Stearinerie Dubois, Symrise, Zschimmer & Schwarz	Avon, Barry Callebaut, Colgate, Friesland Campina, Grupo Bimbo, Johnson & Johnson, Kellogg, Meg Snow, Mondelez, Nestle, Pepsi, PZ Cussons, Reckitt, Unilever, Upfield, Vandemoortele

Background information on Ownership, the Concession and other relevant issues.

Sarawak-based group expands into northern Peninsular Malaysia

Mighty Earth is including this case in our Rapid Response report, as it highlights yet another instance where the beneficial owners of palm oil Groups are setting up 'shadow companies' in attempt to avoid compliance with Group-level NDPE policies.

In June 2024, a Sarawak-registered company named Pure Green Development Sdn Bhd submitted for approval a 1,007-page Environmental Impact Assessment (EIA) report to the Malaysian authorities.

Pure Green Development Sdn Bhd - named as the '*Project Proponent*' - wants to develop an oil palm concession in Terengganu State in northern Peninsular Malaysia.

The EIA report states that the total area '*suitable for proposed Oil Palm and Fruits project is approximately 1,839.55Ha (82.5%)*' and '*66.35% of the entire project site is a swamp area*' (i.e. peatlands).

In September of 2024, the [Ministry of Environment website](#) changed the status of the company's Environmental Impact Assessment (EIA) to '*Tidak Diluluskan*' (i.e. not passed). As no details are provided on the website, it is unclear if Pure Green Development Sdn Bhd will have any opportunity to re-apply a revised EIA or if the process is complete.

The following page shows connections to Tetangga Akrab, including existing grievances on this case logged by Mewah and Fuji Oil.

Hence, this case requires companies with supply chain connections to Tetangga Akrab to investigate the group's full land bank, including both direct holdings and holdings through nominee shareholders, such as Pure Green Development Sdn Bhd.

Background information on Ownership, the Concession and other relevant issues.

Supply chain connections and grievance logs related to Tetangga Akrab

Many palm oil traders have supply chain connections to Tetangga Akrab where the company's name is disclosed in traders' public mill lists. At least two palm oil traders, Mewah and Fuji Oil, list Pure Green Development Sdn Bhd in their public grievance logs based on past deforestation by the company.

In 2021, Mewah's grievance log reported the following based on an Earthqualizer Supply Chain Report:

- 1.) *In year 2020, Mewah received CPKO supply from Wilmar's Bintulu Edible Oils (BEO).*
- 2.) *Reference to Wilmar's sustainability dashboard, Tetangga Akrab POM 1 & 2, that owned by Datuk Tan Thian Siang, entered Mewah's supply chain through palm kernel (PK) supplied to Wilmar's Bintulu Edible Oils.*
- 3.) *Based on our investigation, there is sufficient proof to show the relationship / ownership between Datuk Tan Thian Siang with Tetangga Akrab POM 1&2 and Pure Green Development. However, the alleged deforested land which was formerly a forest reserve was later turned into state own land, which is now own by the Royal Family of Terengganu state.'*

The status of the grievance is listed as 'On-going monitoring / verification.'

Fuji Oil's grievance is dated May 2024, stating: '*We have engaged our T1 supplier & are pending their response from further investigations.*'

Shareholders and connections to Tetangga Akrab

According to the Company Commission Malaysia (SSM) shareholder registry, the shareholders of Pure Green Development Sdn Bhd are Tam Piak Hock (23.33%), Tam Tian Ting (23.33%), Tan Khian Huat (23.33%) and YAM Tengku Baderul Zaman Ibni Sultan Mahmud (30%).

However, Pure Green Development Sdn Bhd shares the same:

a) business address/office as Tetangga Akrab group companies including Tetangga Akrab Sdn Bhd, Tetangga Akrab Palm Oil Mill Sdn Bhd and Telliana Plantations Sdn Bhd.

The address is: Lot 8712, No.6 Shoplot 11, Green Heights Commercial Centre, New Airport Road, 93250. Kuching, Sarawak.

c) company Secretary (i.e. Ms. Genevieve Ting Sii Kiew) with the 3 Tetangga Akrab companies;

d) financial auditor based in Kuching (i.e. Yong & Oh) with the 3 Tetangga Akrab companies.

Background information on Ownership, the Concession and other relevant issues.

The EIA report states,

- *'The policy of PGDSB [Pure Green Development Sdn Bhd] is to convert the land use to develop oil palm plantation area by harvesting oil palm fruits and harvesting its resources in an environmentally sustainable manner. In order to achieve the environmentally sustainable manner, the new principles within 'no deforestation, no peat, no exploitation' approaches (known as NDPE policies) have been adopted.'*
- *'The Project is eligible to be accredited under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme in accordance to Malaysian Standard (MS 2530-3-2:2022) 'Malaysian Sustainable Palm Oil (MSPO) - Part 3-2: General principles for oil palm plantations (more than 500 hectares)'. The accreditation may require High Conservation Value - High Carbon Stock Approach Assessment (HCV-HSCA Assessment) once the EIA is approved based on the identification and protection of High Conservation Value (HCV) as a part of company policies and commitments.'*

There is a section of the EIA Report which provides comments from the Malaysian Palm Oil Board (MPOB), including the following statements:

'i. This project will be implemented by converting natural forest areas to oil palm plantations, which clearly contradicts with No Deforestation, No Peat, and No Exploitation (NDPE) commitment.

ii. Following the national policy by the Government in 2019 on the ban for the conversion of forest reserved areas for oil palm cultivation or other agricultural activities, we do not support the case for converting the forest to planting of oil palm.

In addition, it goes against the commitment alluded earlier and would be environmentally very damaging - especially when the evidence is so clear. This should be stopped for the international perception of Malaysian oil palm. If new areas continue to be planted then the whole of the Malaysian Oil Palm industry (peat and non-peat) could suffer, as the claim that Malaysia is improving its environmental credentials will be questioned with concerns backed up by recent evidence. It does not matter if this area is small compared to the area already converted. However, the authority to stop this conversion and planting may not entirely up to MPOB. MSPO and licensing team may play some critical role. Most importantly, more synergy regarding land matter between federal and state government is required to overcome this issue.

iii. In MS2530:2022, MSPO Part 3-2 under Criterion 4.1.2.1; No conversion of natural forest, protected areas and High Conservation Value (HCV) areas after 31 December 2019 and new planting on peat land, terrain / slopes exceeding 25 °/ 300m above sea level, fragile, marginal soils and riparian zones are prohibited unless permitted by the state authorities that have been jurisdiction over land matters.'

Mapping analysis



This map, from the EIA Report, shows the total area of the concession (white outline overlaid) which overlaps with peatland (dark green).



Mapping analysis

This map, from the EIA Report, shows the 10 proposed phases of developing the concession overlaid with various landcover data, including the swamp/peatland areas.

