SIME DARBY – THE WORLD’S LARGEST OIL PALM PLANTATIONS COMPANY

SIME DARBY IS A MAJOR PLAYER IN THE PALM OIL SECTOR AND IS A MEMBER OF THE RSPO
The 2007 merger of Sime Darby, Golden Hope Plantations and Kumpulan Guthrie established Sime Darby Plantation as the world’s largest palm oil producer, with the potential of producing 8% of the world’s total palm oil output.\(^{112}\) This publicly-listed group, which runs plantations, refineries and biodiesel plants across Indonesia and Malaysia,\(^{113}\) is controlled by the Malaysian government.\(^{114}\)

Sime Darby is a RSPO member.\(^{115}\)

The Group is focusing on Indonesia for expanding its business.\(^{116}\)

With total plantation assets of nearly 550,000ha, Sime Darby’s nearly 200,000ha of oil palm concessions in Indonesia makes up for more than a third of its total holdings.\(^{117}\) Prior to the merger, Golden Hope controlled a total area of 60,000ha in West Kalimantan, Indonesia, of which 13,000ha were planted with oil palms.\(^{118}\) Kumpulan Guthrie owned and operated 56 plantation estates in Indonesia with a total land area of 220,000ha spread over Sumatra, Kalimantan and Sulawesi,\(^{119}\) of which 175,000ha had been planted.\(^{120}\)

In 2007, Indonesian production for the Sime Darby Group was around 800,000 tonnes of crude palm oil, accounting for nearly 5% of Indonesia production.\(^{121}\)

UNILEVER’S LINKS TO SIME DARBY
The Group is a major supplier to Unilever.\(^{122}\)

There is a long standing relationship between Unilever and companies now part of Sime Darby Group.

In 2002, Golden Hope bought Unimills, Unilever’s oil refinery in Rotterdam in The Netherlands.\(^{123}\) Unimills is the second largest diversified oil and fats blend manufacturer in Europe\(^{124}\) – an industry that uses large quantities of palm oil. A recent announcement by Sime Darby confirmed that Unilever is a major customer of the Golden Hope (now Sime Darby) Unimills refinery in Rotterdam.\(^{125}\)

In 2008, Unilever named the Sime Darby Group, including Golden Hope and Kumpulan Guthrie, as one of its principle suppliers.\(^{126}\)

Golden Hope is known to trade palm oil sourced from the Musim Mas Group in Indonesia.\(^{127}\)

SIME DARBY IS IMPLICATED IN RECENT OR ONGOING FOREST DESTRUCTION IN CENTRAL KALIMANTAN
Fire hotspots

‘We are the first plantation company in Malaysia to receive the Global 500 Award by the United Nations Environment Programme (UNEP) for our “Zero Burning” practices.’

Golden Hope (now part of Sime Darby)
**MUSIM MAS**

**MUSIM MAS IS A MAJOR PLAYER IN THE PALM OIL SECTOR AND IS A MEMBER OF THE RSPO**

In 2006, Musim Mas had 126,000 ha of land holdings in Indonesia,\(^{128}\) over half of these in Central Kalimantan.\(^{129}\)

In 2007, the Group produced around 300,000 tonnes of crude palm oil, accounting for 2% of Indonesia’s production.\(^{130}\)

The company seeks RSPO certification for all of its operations. This includes certification of the Central Kalimantan concession PT Globalindo Alam Perkasa in September 2009. As of December 2007, 2,531 ha of this concession (15%) was reported planted.\(^{131}\) Greenpeace has evidence that in December 2007, a baby orang-utan was captured in this concession area, indicating that it has high conservation values (HCV). The concession is located on peat,\(^{132}\) in some areas over 4 metres deep, and had fire hotspots in 2006 and 2007,\(^{133}\) implying recent clearance.

**UNILEVER’S LINKS TO MUSIM MAS**

Unilever supplier Golden Hope is known to source palm oil from the Musim Mas Group in Indonesia.\(^{134}\)

Unilever trader Cargill is known to source palm oil from the Musim Mas Group in Indonesia.\(^{135}\)

In 2008, Unilever named Musim Mas as one of its principle suppliers.\(^{136}\)

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**MUSIM MAS IS IMPLICATED IN RECENT OR ONGOING FOREST DESTRUCTION IN CENTRAL KALIMANTAN**

- Deforestation on orang-utan habitat
- Deforestation on peatlands
- Fire hotspots
- Remaining forest on orang-utan habitat
- Remaining forest on peatlands

Oil palm concession PT Globalindo Alam Perkasa controlled by Unilever supplier Musim Mas. The Google Earth image shows significant forest cover within the concession boundaries. The first detail map shows 2004 orang-utan habitat and deforestation 2000–2007. The second map shows peatland areas and 2006–2007 fire hotspots. This suggests active deforestation in the concession.
ASIAN AGRI IS A MAJOR PLAYER IN THE PALM OIL SECTOR AND IS A MEMBER OF THE RSPO
RSPO member Asian Agri is part of the Raja Garuda Mas Group, which owns the pulp and paper giant APRIL. Raja Garuda Mas is controlled by Sukanto Tanoto, whom Forbes lists as the richest man in Indonesia. The Jakarta Post reports that Asian Agri is currently under investigation for evasion of taxes worth up to Rp1.3 trillion ($140 billion), with the possibility of criminal charges against its top executives.

Asian Agri controls over 160,000 ha of planted plantation land in Riau, Jambi and North Sumatra: 100,000 ha in concessions and 60,000 ha in smallholder areas.

In 2007, the Group refined about 1.5 Mt of crude palm oil, about 9% of Indonesia’s production.

UNILEVER’S LINKS TO ASIAN AGRI
Unilever trader Cargill is known to source palm oil from the Asian Agri Group in Indonesia.

In 2008, Unilever named Asian Agri as one of its principle suppliers.

Protecting the world’s remaining forests is crucial to efforts to stabilise the climate, to preserve global biodiversity and

‘Asian Agri has a very strict no-burn policy. During either initial planting (land clearing) or replanting, Asian Agri utilises mechanical means to clear land.’

Asian Agri website
ASTRA AGRO IS A MAJOR PLAYER IN THE PALM OIL SECTOR
Astra Agro is controlled by Indonesia’s car manufacturer PT Astra International.

During 2007, the Group increased its landholdings by 70% to nearly 400,000ha. Of this, some 235,000ha is planted (90,000ha in Kalimantan, 107,000ha in Sumatra and 38,000ha in Sulawesi). Some 40% remains to be planted.

In 2007, the Group produced 921,000 tonnes of crude palm oil, accounting for 5.5% of Indonesia’s production.

UNILEVER’S LINKS TO ASTRA AGRO
Unilever trader Cargill is known to source palm oil from the Astra Agro Group in Indonesia.

ASTRA AGRO IS IMPLICATED IN RECENT OR ONGOING FOREST DESTRUCTION IN CENTRAL KALIMANTAN
- Deforestation on orang-utan habitat
- Deforestation on peatlands
- Fire hotspots
- Remaining forest on orang-utan habitat

Oil palm concessions PT Agro Lestari Sentosa in Central Kalimantan controlled by Unilever supplier Astra Agro. The large area map shows that the concessions were still forested in 2007. The first detail map shows 2004 orang-utan habitat and deforestation 2000–2007. The second map shows 2006–2007 fire hotspots. This suggests recent deforestation in the concession.
CONCESSIONS CONTROLLED BY UNILEVER SUPPLIERS IN THE AREA OF LAKE SEMBULUH IN CENTRAL KALIMANTAN
## OIL PALM GROUPS

<table>
<thead>
<tr>
<th>OIL PALM GROUPS</th>
<th>Sinar Mas</th>
<th>IOI</th>
<th>Wilmar</th>
<th>Sime Darby</th>
<th>Musim Mas</th>
<th>Asian Agri</th>
<th>Astra Agro</th>
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<tbody>
<tr>
<td>Share of Crude Palm Oil (CPO) production in Indonesia (2007)</td>
<td>10%</td>
<td>1.1%</td>
<td>3.2%</td>
<td>4.7%</td>
<td>2.0%</td>
<td>9.0%</td>
<td>5.5%</td>
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## Oil Palm Concessions in Central Kalimantan

| Total number of oil palm concessions | 6 | 3 | 15 | 4 | 6 | 1 | 7 |
| Total area (ha)                     | 68,845 | 48,779 | 255,714 | 49,086 | 38,925 | 26,437 | 111,810 |

## Peatland Areas

| Number of concessions on peatland | 3 | 1 | 12 | 1 | 4 | 0 | 1 |
| Actual area on peatland (ha)     | 8,067 | 2,981 | 57,591 | 1,626 | 10,039 | 0 | 23,269 |
| Total peatland store / CO₂ equivalent (CO₂e) | 12.1Mt (44.5Mt CO₂e) | 3.8Mt (13.2Mt CO₂e) | 35.7Mt (131.4Mt CO₂e) | 0.73Mt (2.7Mt CO₂e) | 11.7Mt (42.9Mt CO₂e) | 0 | 58.4Mt (214Mt CO₂e) |
| Number of concessions on deep peat >2m | 2 | 1 | 2 | 0 | 0 | 0 | 1 |
| Area (ha)                          | 6,597 | 1,685 | 6,693 | 0 | 2,283 | 0 | 23,269 |
| Number of concessions with deforestation on peatland (2000 to July 2007) | 1 | 1 | 9 | 0 | 4 | 0 | 1 |
| Number of concessions with remaining forest on peatland in July 2007 | 2 | 1 | 7 | 0 | 3 | 0 | 0 |

## Orang-utan Habitat

| Number of concessions on 2004 orang-utan habitat | 5 | 2 | 15 | 2 | 6 | 1 | 4 |
| Number of concessions with deforestation on orang-utan habitat (2000 to July 2007) | 1 | 1 | 9 | 0 | 4 | 0 | 1 |
| Number of concessions with significant remaining forest on orang-utan habitat in July 2007 | 3 | 2 | 8 | 0 | 5 | 1 | 3 |

## Forest Fires Hotspots (2006-2007)

| Number of concessions 2006 | 260 fire hotspots on 5 concessions | 201 fire hotspots on 5 concessions | 1117 fire hotspots on 4 concessions | 70 fire hotspots on 3 concessions | 135 fire hotspots on 3 concessions | 266 fire hotspots on 1 concession | 442 fire hotspots on 7 concessions |
| Number of concessions 2007 | 62 fire hotspots on 3 concessions | 33 fire hotspots on 4 concessions | 13 fire hotspots on 7 concessions | 3 fire hotspots on 2 concessions | 53 fire hotspots on 3 concessions | 12 fire hotspots on 1 concession | 284 fire hotspots on 7 concessions |