



MIGHTY EARTH



RAPID RESPONSE Palm Oil Report

Report 40
July 2022



Prepared with support from

MapHubs



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Cases identified using Planet and other spatial 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 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.

New Case

Group: First Borneo

PT Khatulistiwa Agro Abadi

Concession location: (0.992882, 112.056583)

Deforestation and/or peat development

Report	Forest Loss/Clearance Preparation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 40	~600	-	-	-	Jan 2022- June 2022

Satellite imagery (see below) shows that between January 2022 and June 2022 there was a total of ~600 ha of forest loss/clearance preparation in the PT Khatulistiwa Agro Abadi concession (Source: Planet Inc. 2022)

Supply Chain Information

Company/Group	Trader	Biofuel / other manufacturers	Consumer Brand
PT Khatulistiwa Agro Abadi			
PT Arjuna Utama Sawit/First Borneo	GAR, Musim Mas, Oleon		Grupo Bimba, General Mills, Johnson&Johnson, Kellogg's, Mondelez, Nestle, Pepsico, Unilever, Upfield
Eagle High Plantations (sourcing from PT Arjuna Utama Sawit)	AAK, ADM, Apical, Cargill, Cofco Int, IFFCO, First Resources, GAR, KLK, Olam, Oleon, Sime Darby, Wilmar	Lipidos, Neste,	Grupo Bimba, Danone, Colgate Palmolive, Ferrero, Hersheys, General Mills, Johnson&Johnson, Kelloggs, L'Oreal, Pepsico, P&G, Reckitt Benckiser, Upfield, Vandermoortele,

Background information on Ownership and the Concession

PT Khatulistiwa Agro Abadi is 95% owned by PT First Borneo Plantations ('First Borneo Group'), which is 95% owned by Chancellor Oil Pte Ltd (Singapore), which is 100% owned by Premier Palmoil Energy Pte Ltd (Singapore).

Premier Palmoil Energy Pte Ltd is the majority shareholder (66.33%) in PT Arjuna Utama Sawit which owns a palm oil mill.

PT First Borneo Plantations also owns 95% shares in PT Borneo International Anugerah, also featured in this report.

According to the [2019](#), [2020](#) and [2021](#) annual reports of Eagle High Plantations Tbk, PT Arjuna Utama Sawit was a supplier to group (see extract below). Eagle High Plantations is in the supply chain of many traders, biofuel companies and consumer brands companies (see list above).

Although Plantations has an NDPE policy, the company does not publish any supplier list or grievance system on its website - hence it was not possible to determine the current relationship between First Borneo and Plantations. However, upon sending an initial copy of this report to several Eagle High customers, Mighty Earth was informed that Eagle High Plantations (EHP) has issued the following statement:

'PT AUS is still listed in the EHP's latest Consolidated Financial Statements as receivables and payables due to the absence of an 'offset' agreement. However, we can confirm that our CPO purchase contract with PT AUS ended in Sep 2018 Since then, we have not entered into transactions with PT AUS and PT AUS is on the 'no purchase' list.'

Given the above, Mighty Earth has updated the report.

20. Utang Usaha

Akun ini terutama merupakan utang atas pembelian produk kelapa sawit, pupuk dan peralatan perkebunan lainnya, dengan rincian sebagai berikut:

	2021	2020
a. Berdasarkan pemasok		
Pihak berelasi - Rupiah (Catatan 37)		
PT Netto Cyber Indonesia	2.707	6.671
Pihak ketiga - Rupiah		
PT Agrimas Utama Indonesia	94.544	34.881
PT Goautama Sinarbatuah	21.522	33.095
PT Gerrindo Surya Makmur	16.745	14.331
Koperasi Jaminan Masa Depan Sejahtera	7.799	13.587
PT Arjuna Utama Sawit	6.132	6.132
PT Perkebunan Nusantara II (Persero)	5.872	2.855
PT Delta Pawan Abadi	4.927	4.801
PT Meta Estetika Graha	4.815	11.070
PT United Shipping Indonesia	4.712	6.175
PT Sari Anjir Serapat	2.867	6.866
Garyber Link Group	2.322	1.027
PT Perkebunan Nusantara XIII (Persero)	2.286	2.286
PT Sumber Adanya Mandiri	2.284	2.287

20. Trade Accounts Payable

This account mainly consists of amounts due to suppliers for purchases of oil palm products, fertilizers and other plantation supplies, with details as follows:

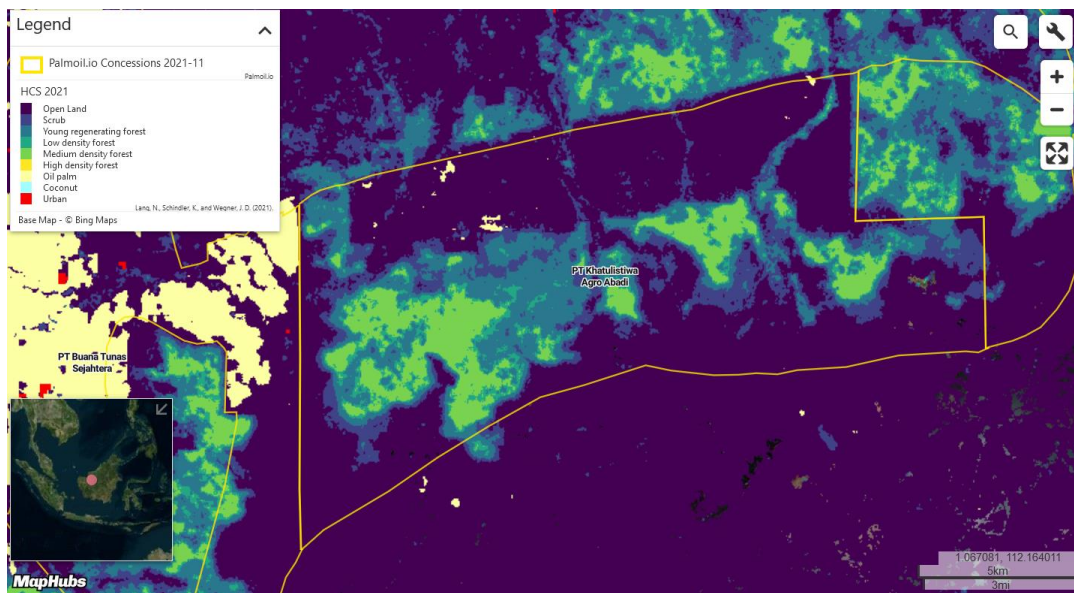
	2021	2020
a. By supplier		
Related party - Rupiah (Note 37)		
PT Netto Cyber Indonesia	2.707	6.671
Third parties - Rupiah		
PT Agrimas Utama Indonesia	94.544	34.881
PT Goautama Sinarbatuah	21.522	33.095
PT Gerrindo Surya Makmur	16.745	14.331
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Mapping analysis

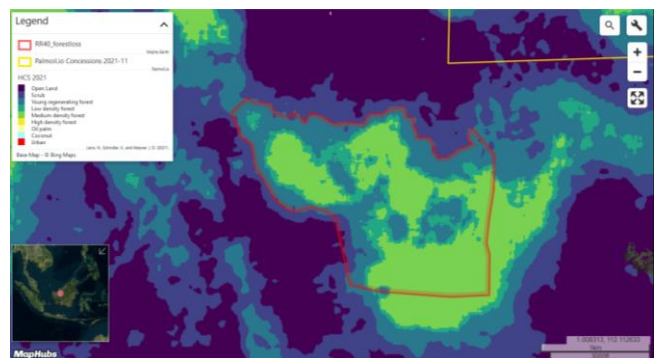
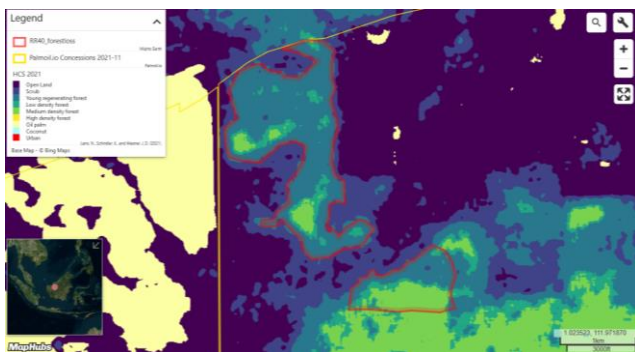


Alert Imagery (before and after satellite images)

The map below shows that the areas within the concession are likely to be High Carbon Stock (HCS) forest, based on the indicative map published by [Lang et al. 2021](#).



The maps below shows the two locations of HCS forest (indicative) cleared between January 2022 and June 2022.

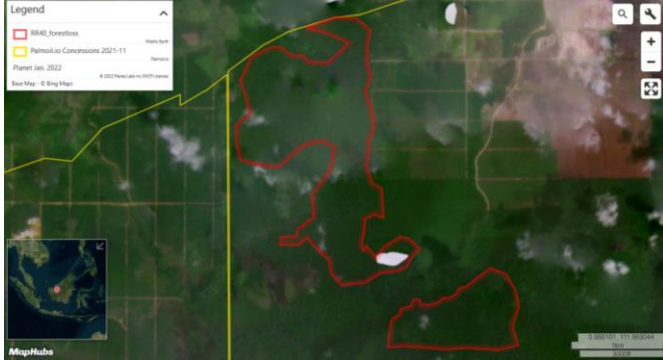


Mapping analysis (cont.)

Alert Imagery (before and after satellite images)

Clearance location 1: (1.000269, 111.982622)

Date: January 2022

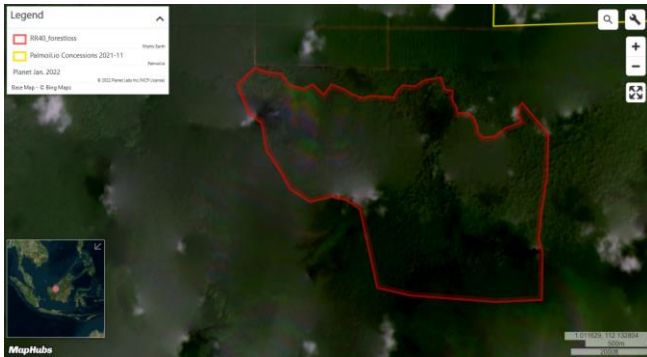


Date: June 2022

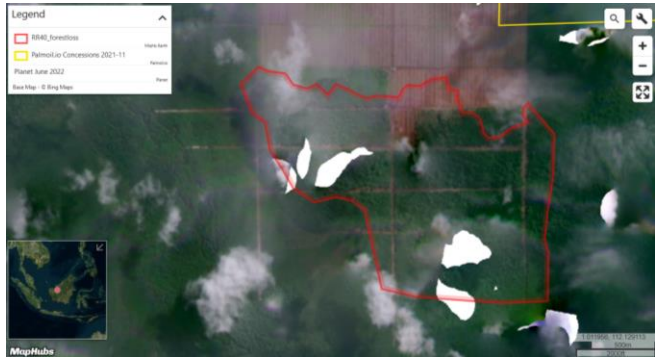


Clearance location 2: (0.999753, 112.120203)

Date: January 2022



Date: June 2022



New Case

Group: First Borneo

PT Borneo International Anugerah

Concession location: (0.914681, 112.882758)

Deforestation and/or peat development

Report	Forest Loss/clearance preparation (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 40	~87	-	-	-	Nov 2021- June 2022

Satellite imagery (see below) shows that between November 2021 and June 2022 there was a total of ~87 ha of forest loss/clearance preparation in the PT Borneo International Anugerah concession (Source: Planet Inc. 2021-2022)

Supply Chain Information

Company/Group	Trader	Biofuel / other manufacturers	Consumer Brand
PT Borneo International Anugerah			
PT Arjuna Utama Sawit/First Borneo	GAR, Musim Mas, Oleon		Grupo Bimba, General Mills, Johnson&Johnson, Kellogg's, Mondelez, Nestle, Pepsico, Unilever, Upfield
Eagle High Plantations (sourcing from PT Arjuna Utama Sawit)	AAK, ADM, Apical, Cargill, Cofco Int, IFFCO, First Resources, GAR, KLK, Olam, Oleon, Sime Darby, Wilmar	Lipidos, Neste,	Grupo Bimba, Danone, Colgate Palmolive, Ferrero, Hersheys, General Mills, Johnson&Johnson, Kellogg's, L'Oreal, Pepsico, P&G, Reckitt Benckiser, Upfield, Vandermoortele,

Background information on Ownership and the Concession

PT Borneo International Anugerah is 95% owned by PT First Borneo Plantations ('First Borneo Group'), which is 95% owned by Chancellor Oil Pte Ltd (Singapore), which is 100% owned by Premier Palmoil Energy Pte Ltd (Singapore).

Premier Palmoil Energy Pte Ltd is the majority shareholder (66.33%) in PT Arjuna Utama Sawit which owns a palm oil mill.

PT First Borneo Plantations also owns 95% shares in PT Khatulistiwa Agro Abadi, also featured in this report.

According to the [2019](#), [2020](#) and [2021](#) annual reports of Eagle High Plantations Tbk, PT Arjuna Utama Sawit was a supplier to group (see extract below). Eagle High Plantations is in the supply chain of many traders, biofuel companies and consumer brands companies (see list above).

Although Plantations has an NDPE policy, the company does not publish any supplier list or grievance system on its website - hence it was not possible to determine the current relationship between First Borneo and Plantations. However, upon sending an initial copy of this report to several Eagle High customers, Mighty Earth was informed that Eagle High Plantations (EHP) has issued the following statement:

'PT AUS is still listed in the EHP's latest Consolidated Financial Statements as receivables and payables due to the absence of an 'offset' agreement. However, we can confirm that our CPO purchase contract with PT AUS ended in Sep 2018 Since then, we have not entered into transactions with PT AUS and PT AUS is on the 'no purchase' list.'

Given the above, Mighty Earth has updated the report.

20. Utang Usaha

Akun ini terutama merupakan utang atas pembelian produk kelapa sawit, pupuk dan peralatan perkebunan lainnya, dengan rincian sebagai berikut:

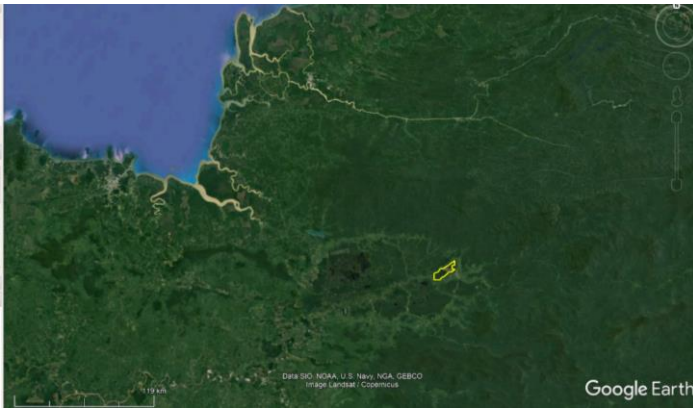
	2021	2020
a. Berdasarkan pemasok		
Pihak berelasi - Rupiah (Catatan 37)		
PT Netto Cyber Indonesia	2.707	6.671
Pihak ketiga - Rupiah		
PT Agrimas Utama Indonesia	94.544	34.881
PT Goautama Sinarbatuah	21.522	33.095
PT Gerrindo Surya Makmur	16.745	14.331
Koperasi Jaminan Masa Depan Sejahtera	7.799	13.587
PT Arjuna Utama Sawit	6.132	6.132
PT Perkebunan Nusantara II (Persero)	5.872	2.855
PT Delta Pawan Abadi	4.927	4.801
PT Meta Estetika Graha	4.815	11.070
PT United Shipping Indonesia	4.712	6.175
PT Sari Anjir Serapat	2.867	6.866
Garyber Link Group	2.322	1.027
PT Perkebunan Nusantara XIII (Persero)	2.286	2.286
PT Sumber Adanya Mandiri	2.121	2.217

20. Trade Accounts Payable

This account mainly consists of amounts due to suppliers for purchases of oil palm products, fertilizers and other plantation supplies, with details as follows:

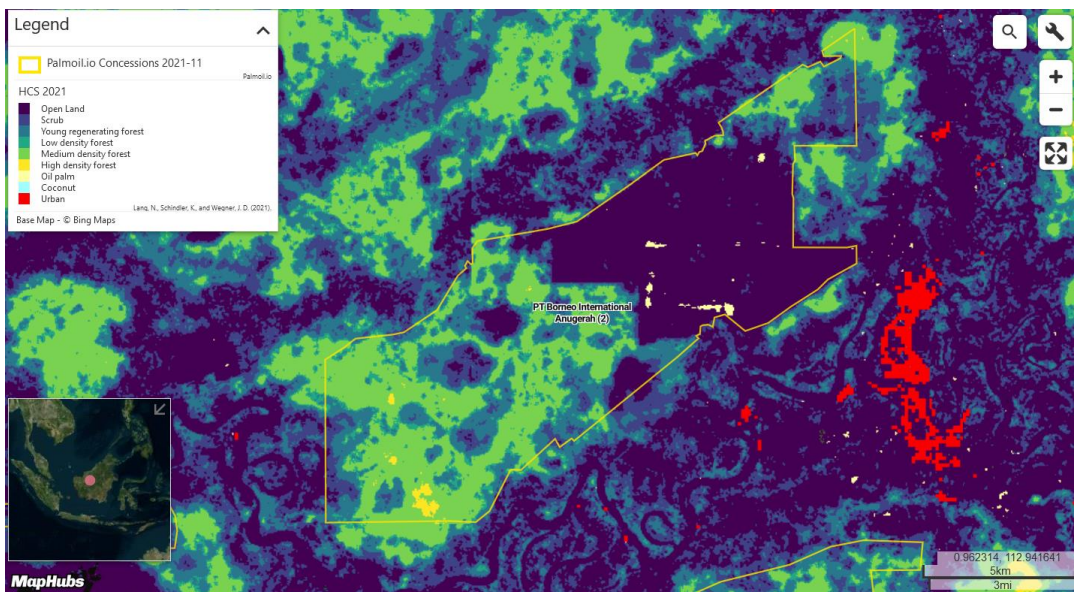
a. By supplier
Related party - Rupiah (Note 37)
PT Netto Cyber Indonesia
Third parties - Rupiah
PT Agrimas Utama Indonesia
PT Goautama Sinarbatuah
PT Gerrindo Surya Makmur
Koperasi Jaminan Masa Depan Sejahtera
PT Arjuna Utama Sawit
PT Perkebunan Nusantara II (Persero)
PT Delta Pawan Abadi
PT Meta Estetika Graha
PT United Shipping Indonesia
PT Sari Anjir Serapat
Garyber Link Group
PT Perkebunan Nusantara XIII (Persero)
PT Sumber Adanya Mandiri

Mapping analysis

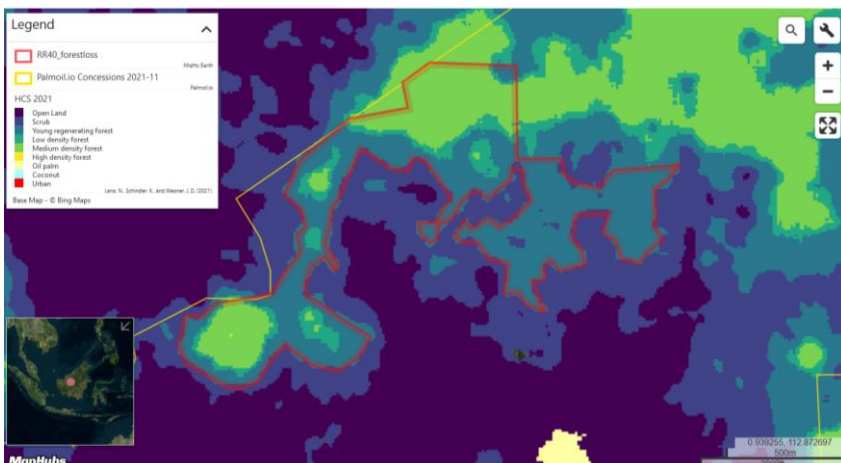


Alert Imagery (before and after satellite images)

The map below shows that the areas within the concession are likely to be High Carbon Stock (HCS) forest, based on the indicative map published by [Lang et al. 2021](#).



The maps below shows the location of HCS forest (indicative) cleared between November 2021 and June 2022.

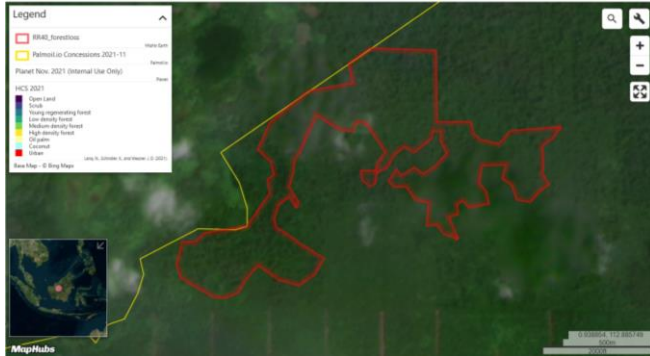


Mapping analysis (cont.)

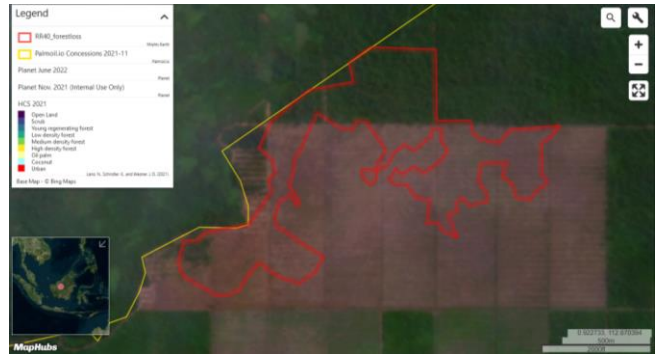
Alert Imagery (before and after satellite images)

Clearance location: (0.931292, 122.881518)

Date: November 2021



Date: June 2022



New Case

Group: group companies held by Mr Chow Chuin Hai and the Sultan of Johor

AA Sawit: Sdn Bhd PTD 4882, PTD 4085, PTD 4963, PTD 4118, PTD 4177 and PTD 4121

Concession location: (2.553492 103.634068)

Deforestation and/or peat development

Report	Forest Loss (ha)	Peat development (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 40	636 (EIA area only) 50 (in PTD4882 /oil palm areas)	-	-	-	Jan 2020- mid-2021 Jan 2020-December 2021

Satellite imagery (see below) shows that between January 2020 and December 2021 there was a total of 636 ha of forest loss in the PTD 4882, PTD 4085, PTD 4963, PTD 4118, PTD 4177 and PTD 4121 concessions - only within the areas covered by the EIA.

Supply Chain Information

Company/Group	Trader	Biofuel / other manufacturers	Consumer Brand
Jernih Kemboja Sdn Bhd	AAK, ADM, Fuji Oil, IFFCO, Itochu, LDC, Musim Mas, Olam, PIL, Sime Darby, Wilmar	BASF, Neste, Oleon	Grupo Bimba, Colgate, Danone, Friesland Campina, Hershey, General Mills, ISF, Johnson & Johnson, Kelloggs, L'Oreal, Mondelez, Nestle, Pepsico, P&G, PZ Cussons, Reckitt Benckiser, Unilever, Upfield, Vandermoortele

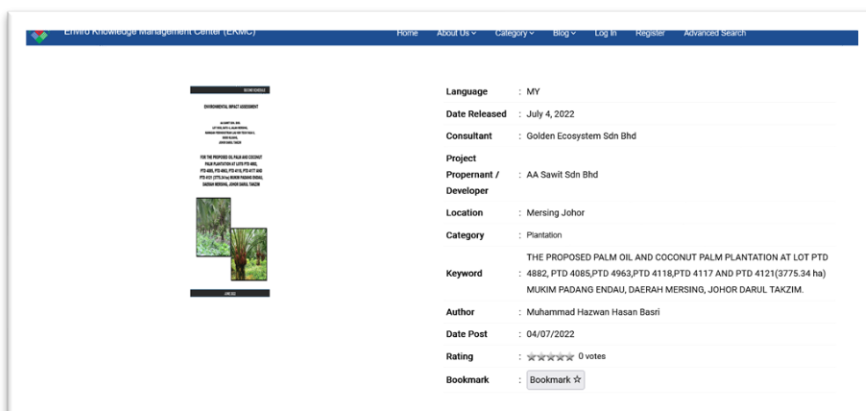
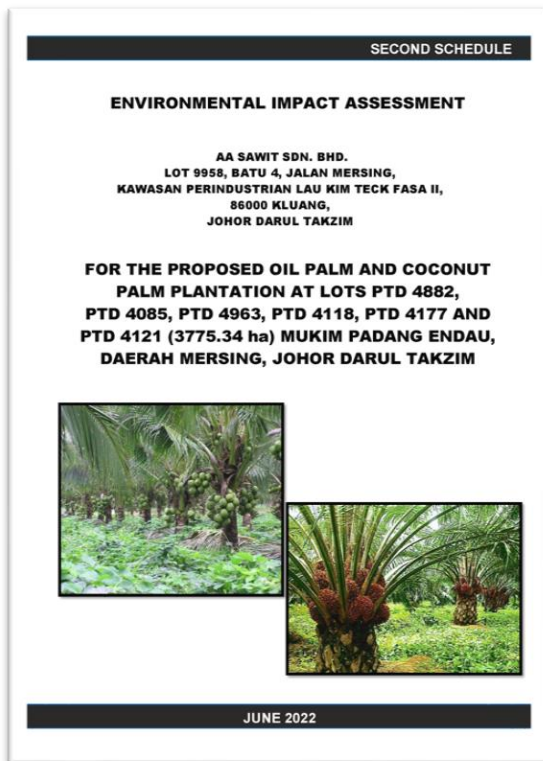
Since publishing Rapid Response report 38, the following companies have suspended Jernih Kembola (according to information published on grievance logs): Bunge, Cargill, Goodhope, IOI, KLK and Mewah,

The following companies have not suspended Jernih Kembola (according to information published on grievance logs or on company website): AAK ADM, Fuji Oil, IFFCO, Itochu, LDC, Olam, Pacific Interlink (PIL), Sime Darby, Wilmar and BASF, Neste, Oleon.

'Partners in Forest Crime': Mr Chow Chuin Hai and the Sultan of Johor

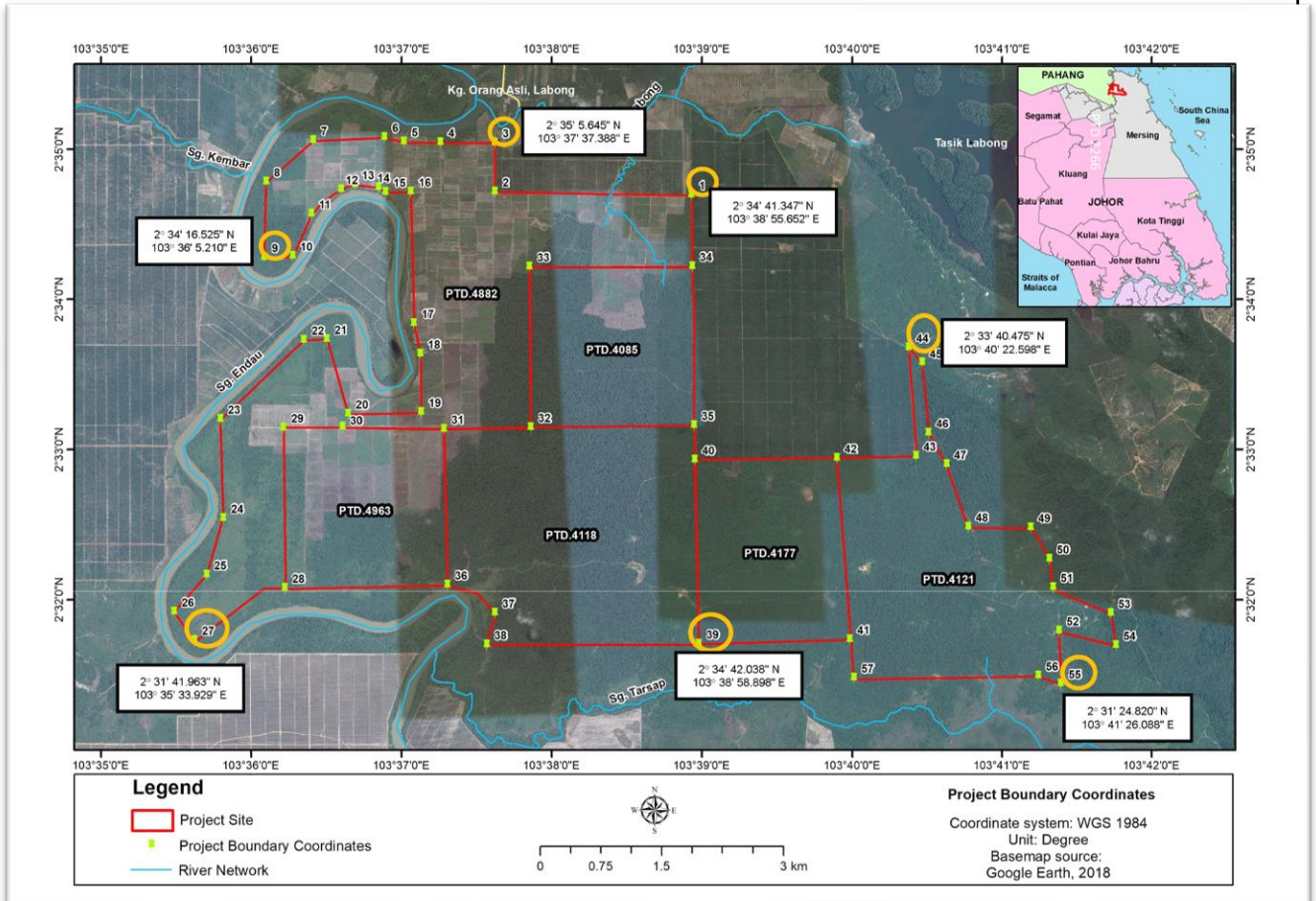
According to a June 2022 EIA report for PTD 4882, PTD 4085, PTD 4963, PTD 4118, PTD 4177 and PTD 4121, the 'Project Proponent' for these concessions is AA Sawit Sdn Bhd. The EIA was published on 4 July 2022 and made available for public review.

As noted in Rapid Response report 38, AA Sawit Sdn Bhd is 51% owned by the Sultan of Johor and 49% by Mr Chow Chuin Hai, who also owns 54% of SH Trading Co Kluang Sdn Bhd (FFB trader) and 100% Jernih Kemboja Sdn Bhd (palm oil mill), which is registered at the same business address as AA Sawit. Further, according to trade data for 2020 and 2021, AA Sawit and SH Trading Co Kluang Sdn Bhd are named as two major FFB suppliers (~95%) to the Jernih Kemboja palm oil mill.

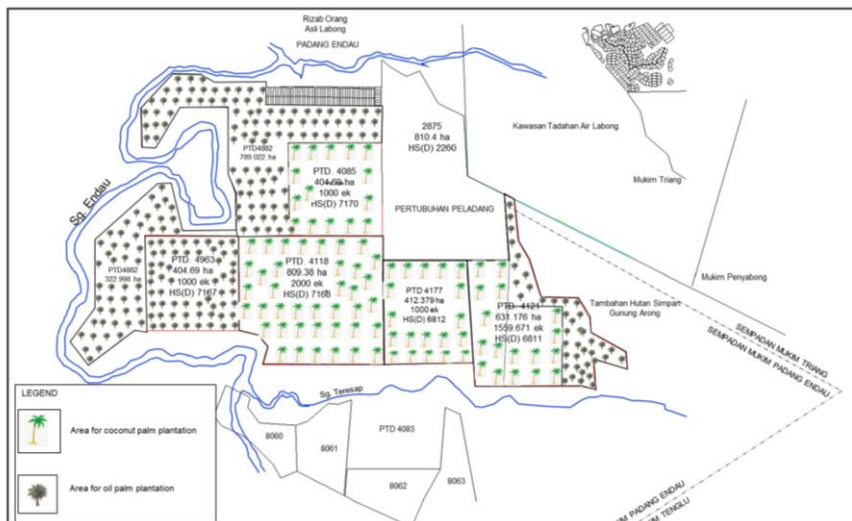


'Partners in Forest Crime': Mr Chow Chuin Hai and the ex-Sultan of Johor

The EIA map below - which is used a baseline landcover map - show large areas of forest which are intended to be cleared as part of the development of the project, according to the EIA report. However, the map references the basemap source as being 'Google Earth 2018', but the actual satellite image is from pre-2016.



The proposed oil palm and coconut plantation areas are shown below.



'Partners in Forest Crime': Mr Chow Chuin Hai and the ex-Sultan of Johor

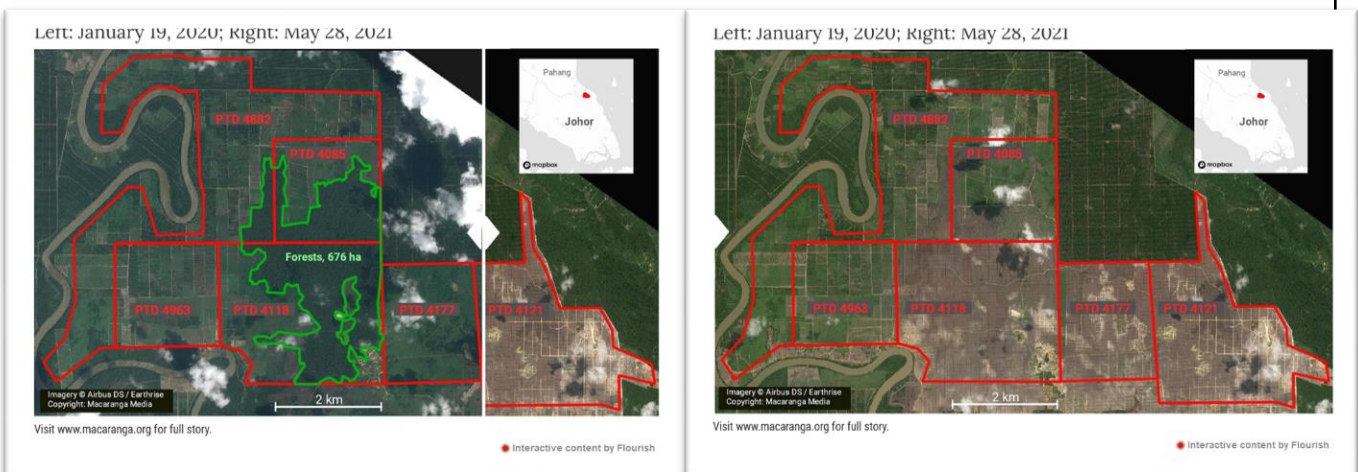
On July 25, 2002, [Macaranda](#) an story on this case:

'According to the EIA, the consultants began visiting the site in September 2020. However, satellite images show that clearing had already started months before. Between January and June 2020, lot PTD 4118 had lost at least 300 ha of forests. Forest which locals said once housed elephants, barking deer, gibbons, and hornbills.

Loggers continued to fell trees even as the consultants came in months later to survey wildlife and sample groundwater.

By mid-2021, when the consultants finished their field study, the site had lost at least 636 ha of forest and 700 ha of shrubland.

And when the EIA report was published for public review on 7 July, new oil palm had been planted on the eastern border with the Gunung Arong forest reserve...

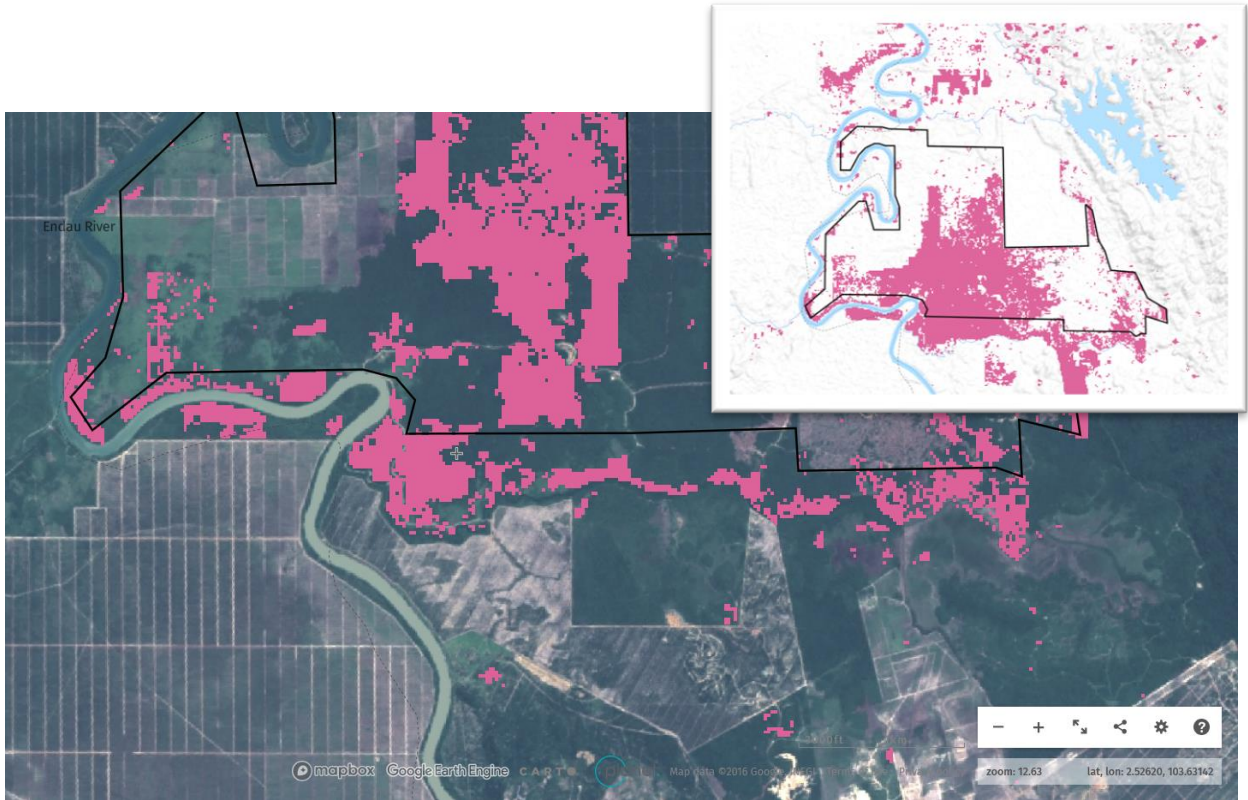


The article also highlights that 'satellite images show that the logging and drains extend more than 650 ha beyond the indicated borders of the project - a point not mentioned in the report. Whether this extension is legal or approved by the state is uncertain.'



'Partners in Forest Crime': Mr Chow Chuin Hai and the ex-Sultan of Johor

The maps below shows Tree Cover Loss data for the period 2020-2021 (left) and 2016-2021 (right) (source: Global Forest Watch).



The map below show the areas of land clearance neighboring the concession boundaries where the loss appears to be related to plantation development (marked in red) extending from the main concession areas (marked in black).

