



HOW *Unilever* PALM OIL SUPPLIERS ARE

BURNING UP BORNEO



NEW EVIDENCE SHOWS EXPANSION BY *Unilever* PALM OIL SUPPLIERS IS DRIVING SPECIES EXTINCTION IN CENTRAL KALIMANTAN AND FUELING CLIMATE CHANGE

In November 2007, Greenpeace released *Cooking the Climate*, an 82-page report summarising the findings of a two-year investigation that revealed how the world's largest food, cosmetic and biofuel companies were driving the wholesale destruction of Indonesia's rainforests and peatlands through growing palm oil consumption.

This follow-up report provides further evidence of the expansion of the palm oil sector in Indonesia into remaining rainforests, orang-utan habitat and peatlands in Kalimantan. It links the majority of the largest producers in Indonesia to Unilever, probably the largest palm oil corporate consumer in the world.

Unilever uses 1.3Mt of palm oil or palm oil derivative every year – about 3% of global production.¹ About half of Unilever's palm oil supply comes from Indonesia.² As recently as 2005, Unilever purchased 1 in every 20 tonnes produced in the country.³

Unilever has failed to use its power to lead the palm oil sector toward sustainability, either through its own palm oil purchasing – its primary suppliers in Indonesia represent over a third of the country's palm oil production⁴ – or through its role as leader of the Roundtable on Sustainable Palm Oil (RSPO), whose members represent 40% of global palm oil production.⁵

Through analysis of maps, satellite data, and on-the-ground investigations between February and April 2008, Greenpeace has mapped out how expansion of the oil palm plantations in Central Kalimantan is fuelling climate change and helping drive orang-utans to the brink of extinction. As Greenpeace investigations show, this expansion into the Indonesian territory of the island of Borneo has in large part been led by companies who are Unilever suppliers and RSPO members.



Unilever



This destruction is set to get worse. By 2030, demand for palm oil is predicted to more than double that of 2000.⁶ Between 2006 and 2016 alone, palm oil production is set to increase by close to 15Mt.⁷

To meet this growth in demand, major producers including Unilever suppliers and RSPO members are expanding their plantation areas into forests and peatlands in Indonesia.⁸ This expansion – often illegal⁹ and in breach of RSPO principles and criteria¹⁰ – is not only bad for wildlife, it is also bad for the climate and bad for governance.

Unilever itself is implicated in the impacts of this expansion through rapidly growing brand platforms that use significant quantities of palm oil and palm oil derivatives from companies operating in Indonesia. Product brands and brand platforms include *Dove*, *Dirt is Good* (*Persil*, *Omo*, *Surf Excel*), *Knorr*, *HeartBrand* (*Walls*) and *HealthyHeart* (*Flora/Becel*).

Greenpeace investigations provide new evidence that it is Unilever's own palm oil traders and producers (themselves RSPO members) who are leading 'aggressive expansion' of the sector that results in the devastation of the last remaining orang-utan rainforest and peatland habitat in Borneo.

By failing to apply and enforce RSPO principles and criteria to both traders and producers at group level, Unilever has failed to bring the rapidly expanding palm oil sector under control. The growth of global brands and brand platforms such as *Dove* and *Dirt is Good* is creating incentives for Unilever's suppliers to expand, 'leading to the devastation of the last remaining rain forests in Borneo'.¹¹ As it stands, Unilever suppliers are driving species extinction, climate change through the significant greenhouse gas (GHG) emissions linked to deforestation and peatland destruction, and land conflict with forest-dependent communities.

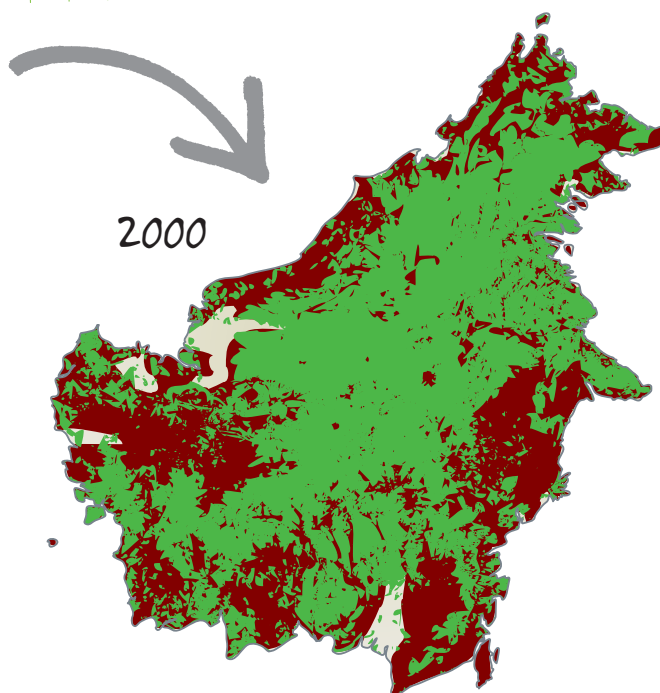
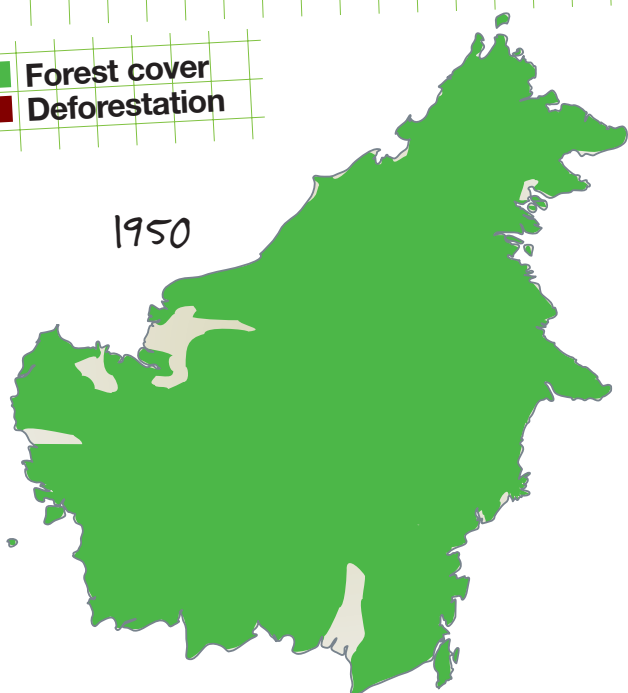
Given the urgent nature of the crisis, the only solution for the global climate, the regional environment, the wildlife and the forest-dependent communities relying upon Indonesia's forest resources is a moratorium on oil palm expansion into rainforest and peatland areas.



MAPPING EXTINCTION: HOW OIL PALM CONCESSIONS ARE DRIVING HABITAT DESTRUCTION AND FUELLING CLIMATE CHANGE

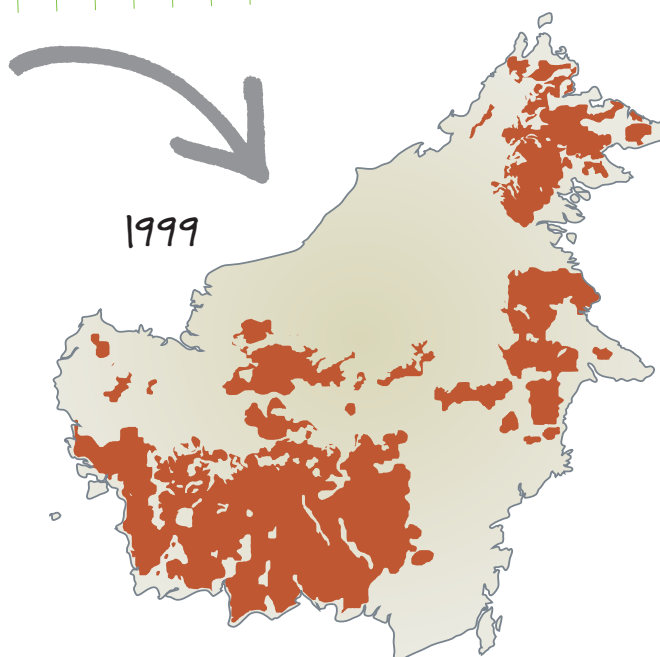
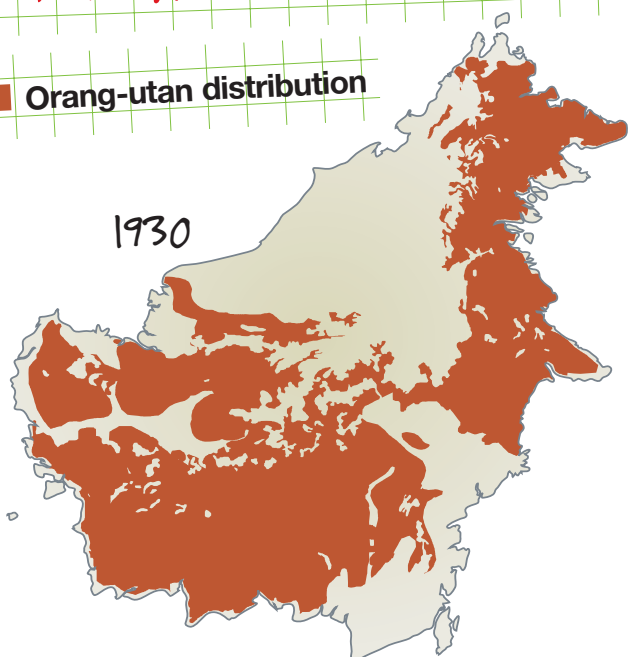
FOREST COVER IN BORNEO: DEFORESTATION 1950-2020

■ Forest cover
■ Deforestation

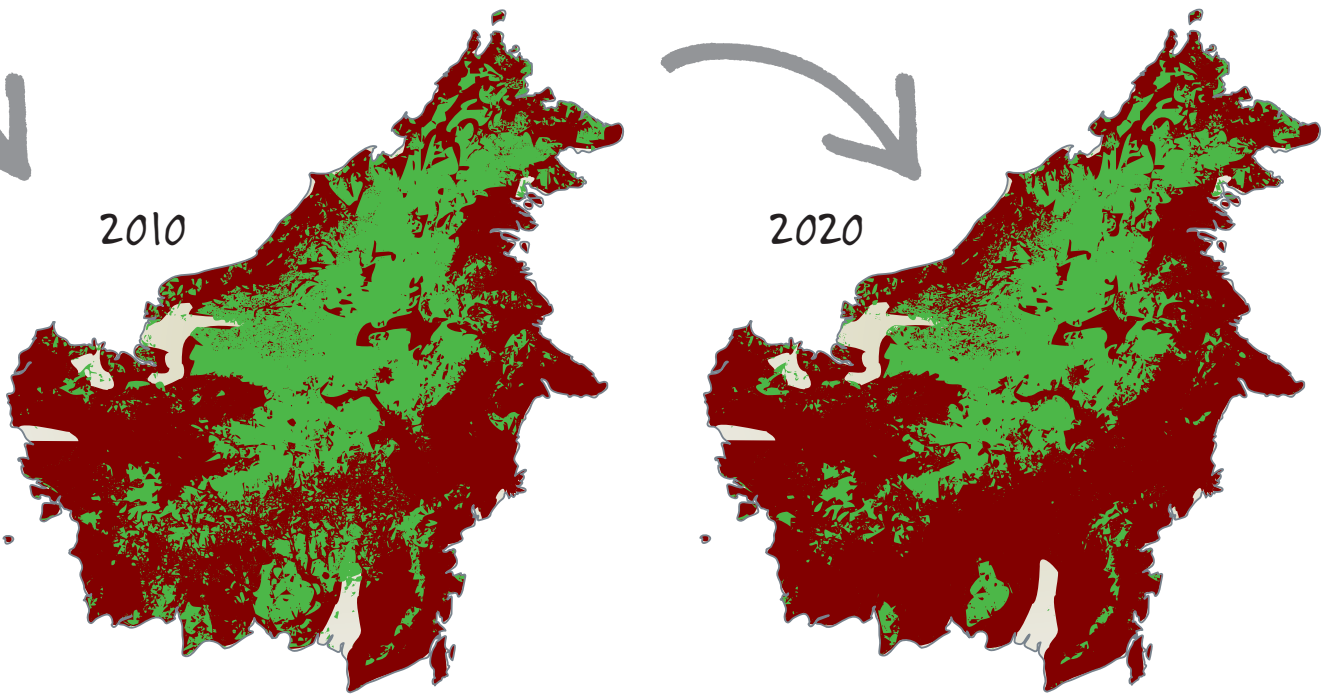


ORANG-UTAN DISTRIBUTION IN BORNEO: POPULATION LOSS 1930-2020

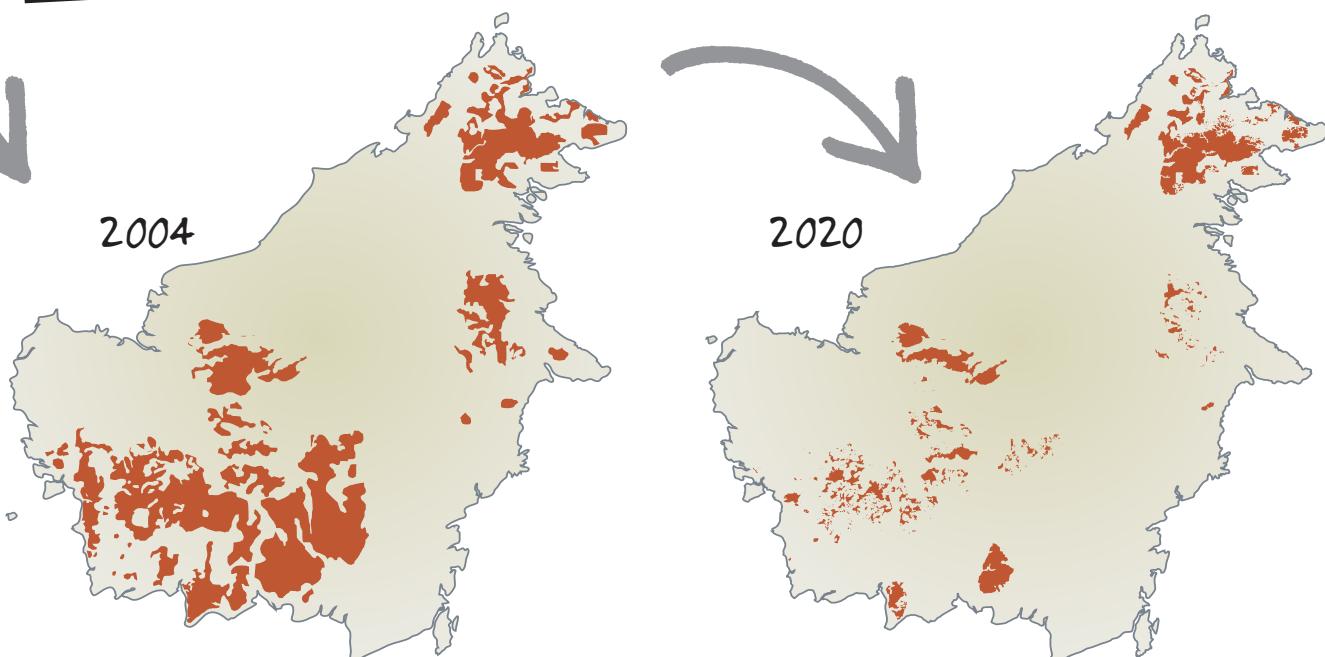
■ Orang-utan distribution



Maps and projections based on 2005 maps compiled by WWF.¹² Forest loss projections are placed around existing road network. WWF estimates that over the period 2000–2020 about 17,280,000ha of forest cover will have been lost.



Maps and projections based on 2005 maps compiled by WWF.¹³ The 2020 map shows probable orang-utan distribution only in areas where distribution of 2004 matches predicted forest cover 2020.



THE IMPACTS OF DEFORESTATION IN INDONESIA

Indonesia now has the fastest deforestation rate of any major forested country.¹⁴ Losing 2% of its remaining forest every year, Indonesia has earned a place in the Guinness World Records.¹⁵

According to World Bank estimates, between 1985 and 1997 alone, 60% of the lowland rainforest of Kalimantan and Sumatra was destroyed.¹⁶ The United Nations Environment Program (UNEP) estimates that 98% of Indonesia's lowland forest may be destroyed by 2022.¹⁷

Indonesia also holds the global record for GHG emissions from deforestation, which puts it in third place behind the USA and China in terms of total GHG emissions from human industry.¹⁸ The destruction of Indonesia's peat swamp forests alone is one of the largest sources of GHG emissions in the world. The largest portion of these emissions is associated with fires to clear the land for agricultural development.¹⁹

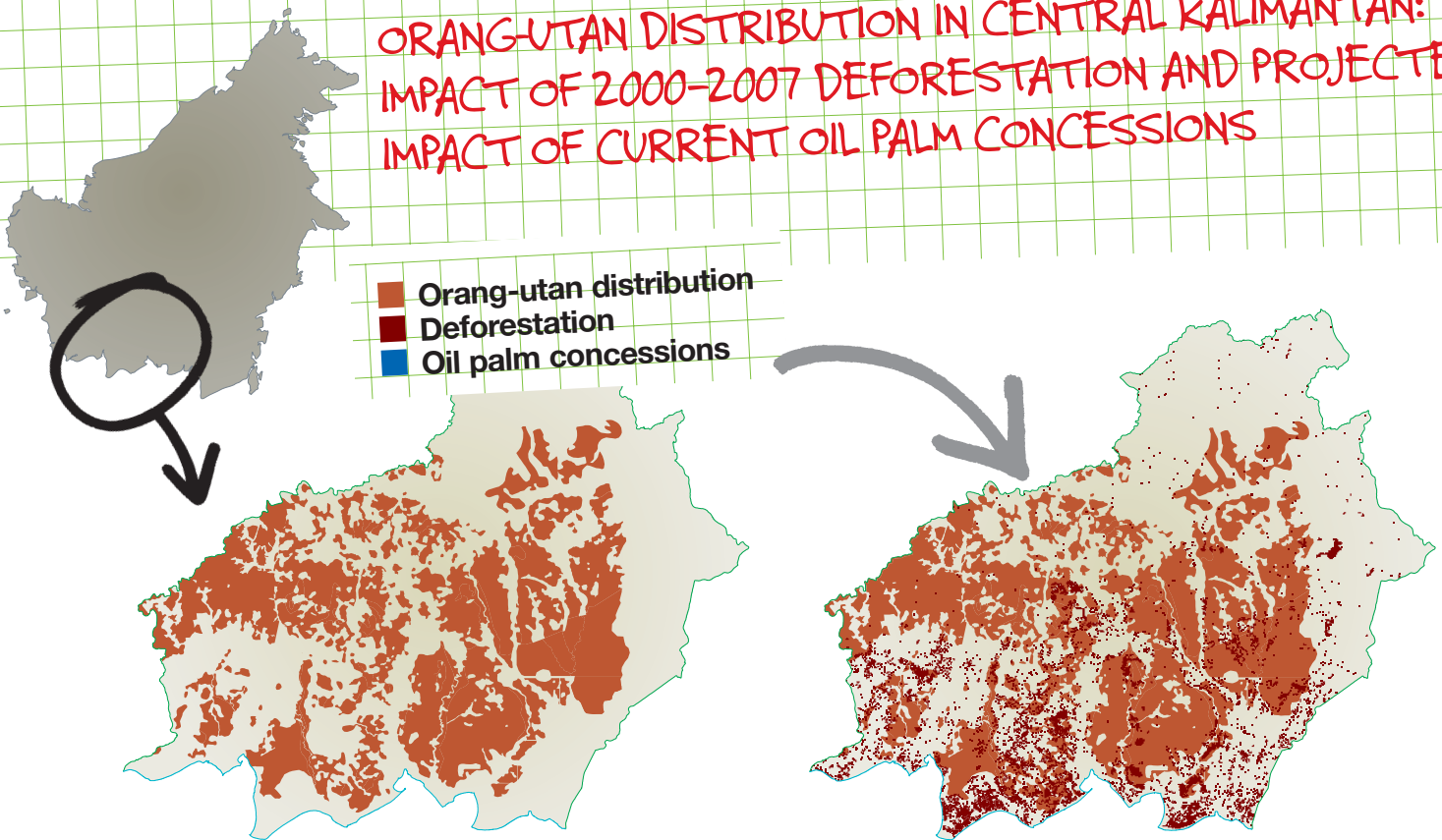
Indonesia's emissions from destroyed or degraded peatland are around 1.8Gt CO₂ per year,²⁰ equivalent to 4% of total GHG emissions,²¹ from less than 0.1% of the world's land surface.²² If predicted expansion in oil palm plantations goes ahead, peatland emissions of CO₂ are set to rise by at least 50% by 2030.²³

Orang-utans – one of our nearest biological relatives – survive only in the dwindling tropical rainforests of Borneo and northern Sumatra:²⁵ they depend on the forest for food and nesting sites.²⁶ Cutting down forest for timber or conversion to plantations is the main cause of their decline,²⁷ and today orang-utans are at high risk of extinction in the wild.

Recent Greenpeace analysis and investigations confirm that expansion in oil palm plantations by Unilever suppliers is having a serious impact on their habitat.



ORANG-UTAN DISTRIBUTION IN CENTRAL KALIMANTAN: IMPACT OF 2000-2007 DEFORESTATION AND PROJECTED IMPACT OF CURRENT OIL PALM CONCESSIONS



A 2007 UNEP report recognises that oil palm plantations are now the leading cause of rainforest destruction in Indonesia.³³ Between 1991 and 2006, almost 5 million hectares of new oil palm concession areas have been established in Indonesia alone,³⁴ equivalent to over 50 football pitches an hour. Much of this area was previously forest or peatland. The Indonesian Palm Oil Research Institute (IOPRI) estimates that two-thirds of all currently productive oil palm plantations involved deforestation.³⁵

On top of Indonesia's existing 6 million hectares of oil palms,³⁶ the country's central government has plans for another 4 million hectares by 2015 dedicated to biofuel production alone.³⁷ Provincial governments are even more ambitious in terms of oil palm expansion, planning for an additional 20 million hectares.³⁸

Kalimantan, the Indonesian portion of the island of Borneo, which it shares with Malaysia and Brunei, has some of Indonesia's largest remaining areas of forest habitat. This is home to most of the world's remaining orang-utans.

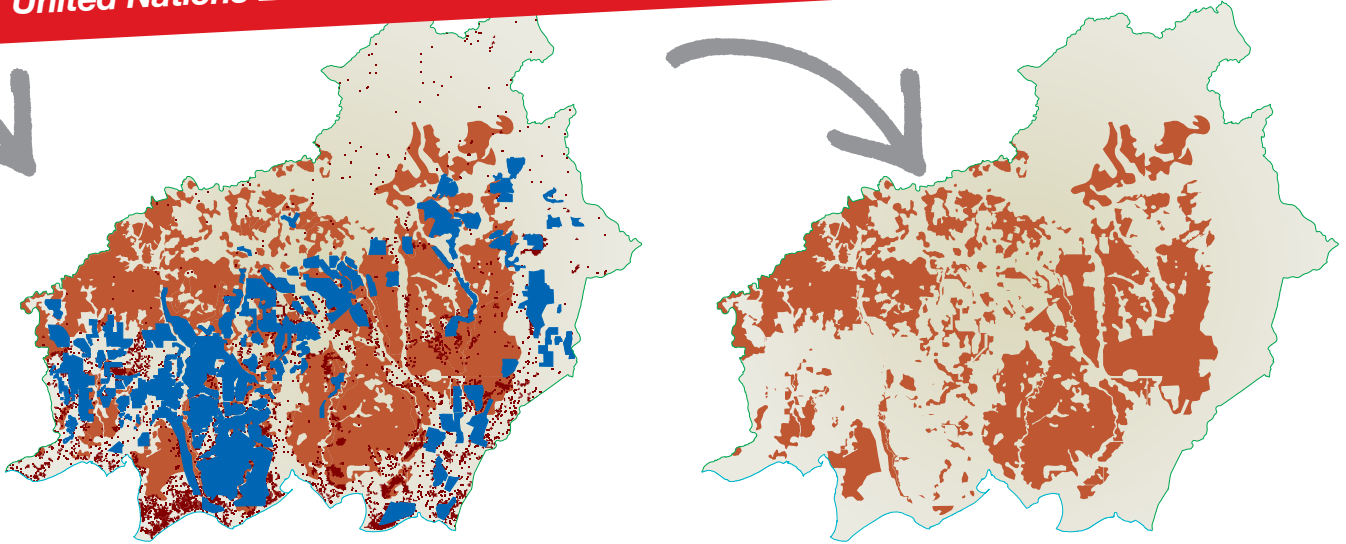
While most current palm oil production is concentrated in Riau and North Sumatra, oil palm groups are rapidly expanding their landbanks and clearing new areas. In West Kalimantan, by 2007 oil palm concessions had been granted on more than 3.2 million ha.³⁹ In Central Kalimantan, by 2006 oil palm concessions had been granted on 1.1 million ha.⁴⁰

As a 2008 Greenpeace investigation reveals, much of this area – which overlaps critical orang-utan habitat – is being cleared of valuable forest, the peatlands drained and the land burned as oil palm plantation area expands.

As orang-utans and other species lose their rainforests to oil palm plantations, they are deprived of their natural source of food. Seeking to survive off young palm plants, hungry orang-utans can become 'pests' to oil palm producers, and plantation workers commonly kill orang-utans to protect the crop.⁴¹ According to the Centre for Orangutan Protection, at least 1,500 orang-utans died in 2006 as a result of deliberate attacks by plantation workers.⁴²

'The Bornean orang-utan is classified as *Endangered* [...] indicating that it has a very high risk of extinction in the wild in the near future. The Sumatran orang-utan is classified as *Critically Endangered* [...] indicating that it has an extremely high risk of extinction in the wild in the near future. Since 1900, the number of Sumatran orang-utans is thought to have fallen by about 91%, with a rapidly accelerating loss towards the end of the twentieth century.'

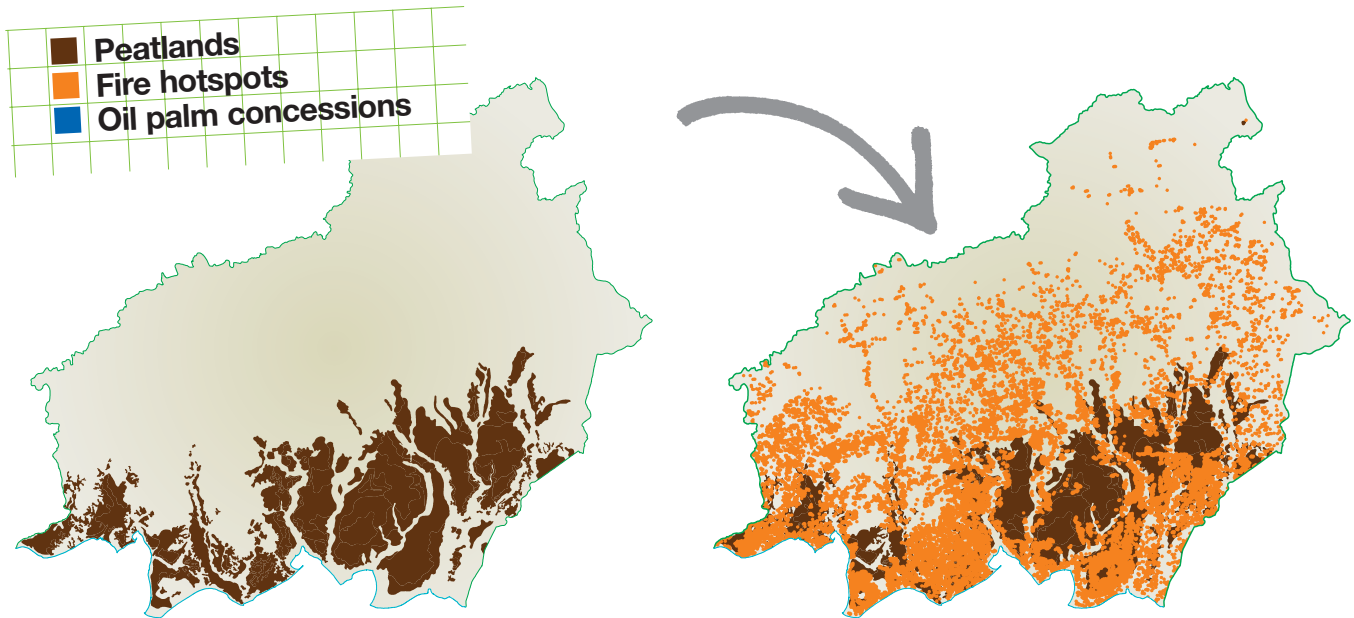
United Nations Environment Programme, 2007



These maps overlay several data sets. Orang-utan distribution is based on 2005 maps compiled by WWF.²⁸ The oil palm concession boundaries are based on 2006 work by Forest Watch Indonesia.²⁹ Deforestation data is based on 2007 maps developed by Sarvision-Wageningen University in collaboration with the Indonesian Ministry of Forestry. The first map shows 2004 orang-utan distribution in Central Kalimantan. The second map projects the impact of 2000–2007 deforestation on orang-utan distribution. The third map overlays this with oil palm concessions. The fourth map projects that all remaining orang-utan habitat within concession areas will be lost.



PEATLAND DISTRIBUTION IN CENTRAL KALIMANTAN: PROJECTED IMPACT OF 2006-2007 FIRE HOTSPOTS IN RELATION TO CURRENT OIL PALM CONCESSIONS



In Central Kalimantan, between 2006 and 2007, one orang-utan rescue centre retrieved more than 200 orang-utans from oil palm plantations.⁴³ Greenpeace has evidence of orang-utans found on concessions belonging to Unilever suppliers.⁴⁴

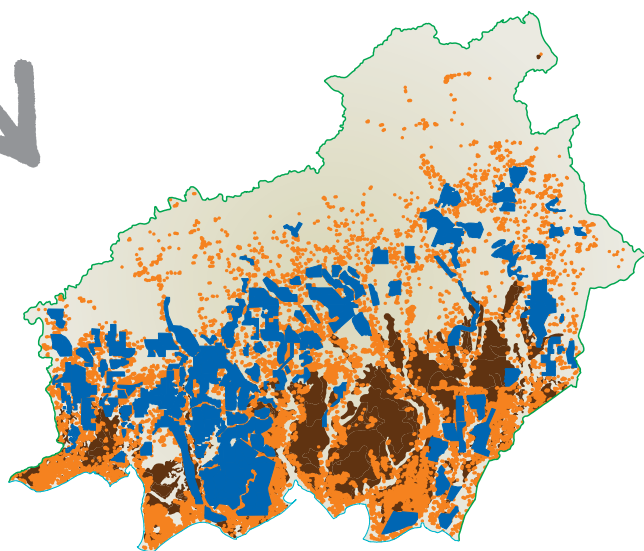
Oil palm plantation expansion takes place with little oversight from central or local government. Procedures for environmental impact assessment, land-use planning and ensuring a proper process for development of concessions are neglected.

Many new plantations are located on peat that should be off-limits to development or degradation according to Indonesian law.⁴⁵ This stipulates that land should not be allocated for oil palm plantations on peat soils deeper than 2 metres; in addition, activities that damage upstream natural swamp forests with deep peat (more than 3 metres) are prohibited.⁴⁶ In other words, palm oil development on such peatlands is illegal. Greenpeace has documented such clearance on concessions belonging to Unilever suppliers.⁴⁷

The use of fire to clear forest areas is the largest source of GHG emissions in the world.⁴⁸ The practice has been illegal in Indonesia since 1999,⁴⁹ yet remains commonplace among palm oil producers. Greenpeace has identified thousands of fire hotspots (areas visible on satellite images used to monitor forest fires) on concessions belonging to Unilever suppliers during the period 2006–2007.⁵⁰

Social conflict, including land rights and resource conflicts, is often associated with oil palm plantation expansion.⁵¹ Greenpeace has evidence of such conflicts resulting from the establishment of concessions belonging to Unilever suppliers.⁵²

'The main areas remaining for new extensive plantations are the large tracts of tropical peatlands – until recently virgin rainforest areas. Over 50% of new plantations are planned in these peatland areas.'
Wetlands International, 2007



These maps overlay several data sets: peatland distribution maps,³⁰ oil palm concession boundaries based on 2006 work by Forest Watch Indonesia,³¹ and fire hotspots identified by NASA satellite imagery.³² The first map shows peatland distribution in Central Kalimantan. The second map overlays this with 2006 – 2007 fire hotspot data. The third map overlays this with oil palm concessions, showing where they all overlap.

'Peat swamp forests, which host high densities of orang-utans, are targeted for palm oil production. Palm oil plantations are also being developed on logged-over forest land, preventing recovery.'

United Nations Environment Programme, 2007

