

# THE RSPO GROUP OF FRIENDS

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**Unilever** is one of the world's largest food processing giants, selling household food and cosmetic brand names in nearly every country. It is president of the RSPO.

**Unilever**

Photos of you

Where Unilever's travelled

FOOD FIGHT

Challenge Unilever

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**Patrick Cescau**

Unilever, Sustainable Agriculture Initiative

'Conversion of land for agriculture is the biggest threat to tropical rainforests alongside illegal logging... There are instances where the development of new oil palm plantations has led to conversion of forests with high conservation value and has threatened the rich biodiversity of these ecosystems. The use of fire for preparation of land for oil palm planting also contributes to forest fires and widespread polluting haze over vast areas.'

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Patricia A. Woertz (ADM)



Gregory R. Page (Cargill)



Franky Widjaja (Sinar Mas)



Sabri Ahmad (Golden Hope)



Robert Kuok

**Groups**

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RSPO • How to profit from climate change

**Photos**




**CO2 world traveller**



**Mini feed**

**Unilever's palm oil products**








**ADM-Kuok-Wilmar** is a shareholder alliance between ADM and the Kuok family controlling over 570,000 hectares of concession area, palm oil refineries and biodiesel plants across Indonesia and Malaysia.

**ADM Wilmar**



ADM Pura Foods operates a jetty outside London handling more than 300,000 tonnes of edible oils a year, including palm oil. These bulk oils are delivered directly into the Unilever factory next door, the largest margarine factory in the world, producing brands such as Flora and Bertoli.

- Photos of ADM Wilmar
- Where ADM Wilmar's travelled
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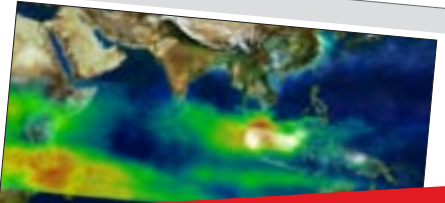
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**Favourite palm oil products?**



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**Sinar Mas** is planning to expand its landbank. The group already accounts for 11% of palm oil production in Indonesia.

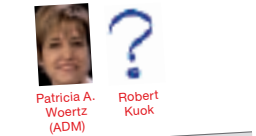
**Sinar Mas**



Sinar Mas has publicly announced plans to expand its landbank in the heavily forested province of Papua. However, an internal presentation indicates that the company plans to develop a rainforest area of up to 2.8 million hectares in Papua.

- Photos of Sinar Mas
- Where Sinar Mas's travelled
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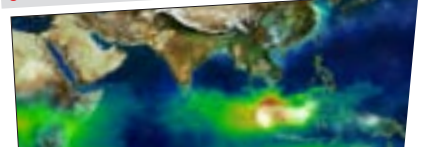
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**Favourite palm oil products?**



**CO2 world traveller**



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**Cargill** is the largest privately-held company in the world. It is a major plantation owner, trader, refiner and distributor of palm oil and palm oil products including biodiesel. It has palm oil related operations across Indonesia, Malaysia, Papua New Guinea, Europe, Australia, India, Russia, and the USA.

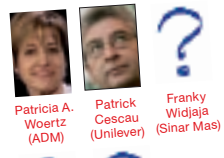
**Cargill**



'Unfortunately, not every palm developer operates responsibly. Forests have been logged (sometimes illegally) to make room for palm plantations. Destroying forests to plant palm is a net negative for trapping carbon and mitigating climate change.'

- Photos of you
- Where Cargill's travelled
- FOOD FIGHT
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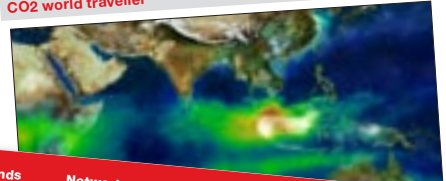
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**Favourite palm oil products?**



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Groups  
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**Golden Hope** is a Malaysian government owned company controlling plantations, refineries and biodiesel plants across Indonesia and Malaysia.

**Golden Hope**

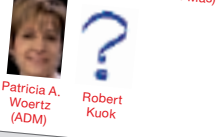


In October 2007, Golden Hope was in the final legal stage of merging with Malaysian palm oil companies Kumpu Guthrie and Sime Darby to form Synergy Drive.

Synergy Drive will be the 'world's biggest palm oil en and potentially 'the world's largest biofuels producer'.

- Photos of Golden Hope
- Where Unilever's travelled
- FOOD FIGHT
- Challenge Golden Hope
- Edit their profile

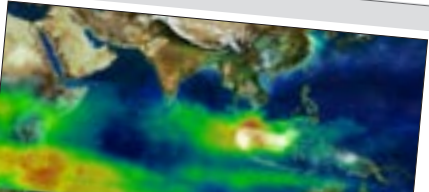
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**Favourite palm oil products?**



**CO2 world traveller**



Groups  
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# WHO CONTROLS THE TRADE?



Unilever is an RSPO member and one of the world's largest food processing giants, selling household food and cosmetic brand names in nearly every country.<sup>126</sup> It claims to be the world's biggest ice cream producer with brands such as Walls and Ben & Jerry's.<sup>127</sup> It also owns the world's largest margarine factory,<sup>128</sup> producing brands such as Flora and Bertolli.

## ROUNDTABLE ON SUSTAINABLE PALM OIL

The Roundtable on Sustainable Palm Oil (RSPO) is a voluntary association of corporations and NGOs set up in 2002. In October 2007, it had nearly 200 members.<sup>123</sup> Corporate members include global food giants such as Unilever, Cadbury's, Nestlé and Tesco, and global commodity traders including Cargill. RSPO members account for an estimated 40% of global palm oil production and use.<sup>124</sup>

The RSPO has aimed to develop a global definition of sustainable palm oil production and better management practices. Companies are required to report on their progress in meeting RSPO criteria, but the organisation's impact on the ground in terms of halting industry expansion into rainforest and peatlands has been negligible.

At present the RSPO scheme does not prohibit palm oil producers from being involved in forest conversion and has no assessment of, or limits on, GHG emissions from the development of oil palm plantations. Furthermore, it has no system to segregate palm oil that meets RSPO criteria from palm oil coming from deforestation including peatland clearance.

## UNILEVER – RSPO PRESIDENT

*'In Indonesia and also in countries in Latin America conversion of land for agriculture is the biggest threat to tropical rainforests alongside illegal logging [...] There are instances where the development of new oil palm plantations has led to conversion of forests with high conservation value and has threatened the rich biodiversity of these ecosystems. The use of fire for preparation of land for oil palm planting also contributes to forest fires and widespread polluting haze over vast areas. In many instances the expansion of oil palm has led to social conflicts between local communities and plantation owners and others.'*<sup>125</sup>

Jan Kees Vis, Unilever Sustainable Agriculture Director and President of the Executive Board of the RSPO

Ben & Jerry's ice cream, Flora margarine, Knorr soups and cosmetic products such as Dove soap, Vaseline and Timotei shampoo are among the many household name products containing palm oil.<sup>129</sup>

Unilever uses around 1.2Mt of palm oil every year,<sup>130</sup> about 3% of total world palm oil production.<sup>131</sup> According to a high-level industry source, Unilever is 'one of the biggest palm oil users in Europe'. At the global level, Unilever is a major player in the palm oil trade.

Most of this comes from Indonesia and Malaysia.<sup>132</sup> During the 12 month period from July 2003 to June 2004, Unilever bought approximately 570,000 tonnes of palm oil from Indonesia, more than 5% of the country's production.<sup>133</sup>

## UNILEVER'S SUPPLIERS – CARGILL, ADM-KUOK-WILMAR, GOLDEN HOPE AND SINAR MAS

*'At the global level, Unilever is a major buyer and exporter from Indonesia of palm oil [...] These purchases represent 5.1% of Indonesian production.'*<sup>134</sup>

### Oxfam and Unilever report, 2005

Virtually all of Indonesia's palm oil is exported through Sumatra. Most of the global trade in Indonesian palm oil is handled by traders based in Singapore. In the first half of 2007, Singapore-based brokers traded over 2.6Mt of the palm oil exported through ports of Sumatra – over 50% of total trade.<sup>135</sup>

Some of the largest of these Singapore-based commodity traders are RSPO members, including the ADM-Kuok-Wilmar alliance, Cargill, Golden Hope and Sinar Mas. In the first half of 2007, these traders controlled over a third of Indonesia's exports of palm oil. The traders are also processors, blending palm oil from deforestation and peatland destruction through their refineries and biofuel facilities.

Given that traders' control of the market prevents traceability, one RSPO member, a major food retailer, has complained to Greenpeace: 'It is unfortunate that the global palm oil industry is unable at present to provide anyone with evidence of traceability beyond processor, to plantation level, so we are severely constrained in what we can do at present.'

Greenpeace analysis of trade data, annual reports and information from industry sources shows that Unilever is trading with Cargill, ADM-Kuok-Wilmar, Golden Hope, and Sinar Mas.



## CARGILL – TRADING WITH UNILEVER

***‘Unfortunately, not every palm developer operates responsibly. Forests have been logged (sometimes illegally) to make room for palm plantations. Destroying forests to plant palm is a net negative for trapping carbon and mitigating climate change.’<sup>136</sup>***

### Cargill News 2007

Cargill is an RSPO member<sup>137</sup> and is the largest privately-held company in the world.<sup>138</sup> Cargill is a major plantation owner, trader, refiner and distributor of palm oil and palm oil products including biodiesel. It has palm oil related operations across Indonesia, Malaysia, Papua New Guinea, Europe, Australia, India, Russia, and the USA.<sup>139</sup>

Industry sources confirm that roughly half of the palm oil imported into Europe by Cargill comes from Indonesia.<sup>140</sup>

According to export data for the first half of 2007, Cargill's Singapore trading arm exported at least 220,000 tonnes of palm oil from 13 different oil palm concession holders in Indonesia, some with holdings in Riau, including Astro Agro Group, Salim Group and Musim Mas.<sup>141</sup> Over 70,000 tonnes of this went to Germany, The Netherlands and Italy; 40,000 tonnes was shipped to Malaysia; the remainder went to China, India and the rest of the world.<sup>142</sup>

Cargill's palm oil shipments to Malaysia are likely to have been delivered to Cargill's refineries in Port Klang and Kuantan, which export 90% of their production.<sup>143</sup>

For example, Greenpeace has traced palm oil from a Cargill refinery to Knorr soup, one of Unilever's high profile brands. Every week, Unilever in Rotterdam places an order for about 100 tonnes of refined palm oil with Cargill's Hamburg refinery.<sup>144</sup> This is trucked to the Unilever's food processing plant in Pozna, Poland – the main production facility for Knorr brand products, which are exported all over the world, including Germany, the UK, Sweden, Belgium, The Netherlands, Russia, and the USA.<sup>145</sup> The facility uses palm oil in over 150 different products, mainly dehydrated food products like instant soup.<sup>146</sup>

Cargill is also one of Unilever's European suppliers of palm oil for ice cream.<sup>147</sup>

## THE ADM-KUOK-WILMAR ALLIANCE – TRADING WITH UNILEVER

Wilmar is an RSPO member. It claims to be the world's largest producer of palm oil based biodiesel.<sup>148</sup> The group – effectively a shareholder alliance between ADM<sup>149</sup> and the Kuok family<sup>150</sup> – controls over 570,000 hectares of concession area (just over a third of this has been cleared and planted), palm oil refineries and biodiesel plants across Indonesia and Malaysia.<sup>151</sup> In 2006,

the group produced over 830,000 tonnes of crude palm oil, accounting for 6% of Indonesia's production.<sup>152</sup> Although Wilmar owns substantial concession areas, more than 75% of its palm oil trade comes from third party plantations.<sup>153</sup>

The Kuok Group was founded by Robert Kuok Hock-Nien, the uncle of William Kuok, one of Wilmar's founders. According to Forbes, in 2005, Robert Kuok Hock-Nien was the richest man in Asia.<sup>154</sup>

The US-headquartered ADM claims to be the world's leading processor of agricultural crops and Europe's leader in biofuels.<sup>155</sup> The company trades crude palm oil on the Chicago futures market (ie contracts are signed and traded months ahead of delivery).<sup>156</sup> According to a high-level industry source, ADM is Cargill's main competitor in the palm oil sector.<sup>157</sup>

In a 2006 declaration to institutional investors, Wilmar announced that its key international customers include Procter & Gamble, Cargill, Unilever, Nestlé and China Grains & Oils Group Corporation.<sup>158</sup>

Immediately next door to Unilever's margarine factory outside London, a subsidiary of ADM operates a jetty handling more than 300,000 tonnes of edible oils a year, including palm oil. These bulk oils are delivered to a wide range of food factories around the UK and overseas, as well as directly into the Unilever factory.<sup>159</sup> This is the largest margarine factory in the world,<sup>160</sup> producing brands such as Flora and Bertolli.<sup>161</sup>

## GOLDEN HOPE – TRADING WITH UNILEVER

***‘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’<sup>162</sup>***

### Golden Hope 2006

Golden Hope is an RSPO member.<sup>163</sup> Golden Hope controls plantations, refineries and biodiesel plants across Indonesia and Malaysia.<sup>164</sup>

In October 2007, Golden Hope was in the final legal stages of merging with Malaysian palm oil companies Kumpulan Guthrie and Sime Darby to form Synergy Drive.<sup>165</sup> All of these publicly listed companies are controlled by the Malaysian government.<sup>166</sup> Golden Hope's website describes the deal as ‘creating the world's biggest palm oil entity’ and potentially ‘the world's largest biofuels producer’.<sup>167</sup>

The company explicitly sees Indonesia as a place for expanding its business.<sup>168</sup>

While Golden Hope has long-established palm oil plantations in Peninsular Malaysia, the company now also controls a total area of 60,000 hectares in West Kalimantan,

Indonesia, of which 13,000 hectares are planted with oil palms.<sup>169</sup> Kumpulan Guthrie currently owns and operates 52 plantation estates in Indonesia with a total land area of 220,000 hectares<sup>170</sup> spread over Sumatra, Kalimantan and Sulawesi, of which 165,000 hectares has been planted.<sup>171</sup> Bloomberg News reports that Synergy Drive will produce 2.2Mt of crude palm oil (CPO) a year,<sup>172</sup> nearly 6% of global palm oil production.<sup>173</sup>

According to a high-level industry source, Golden Hope is a major supplier to Unilever.<sup>174</sup>

The relationship between the two companies is longstanding. In 2002, Golden Hope bought Unimills, Unilever's oil refinery in Rotterdam in The Netherlands.<sup>175</sup> Unimills is the second largest diversified oil and fats blend manufacturer in Europe<sup>176</sup> – an industry that uses large quantities of palm oil.

## SINAR MAS – TRADING WITH UNILEVER

Sinar Mas is an RSPO member through its oil palm plantation subsidiary PT SMART.<sup>177</sup>

The Sinar Mas group accounts for 11% of palm oil production in Indonesia.<sup>178</sup>

The group has publicly announced plans to expand its landbank in the heavily forested province of Papua by 1 million hectares and in Kalimantan by 100,000 hectares.<sup>179</sup> However, an internal company presentation obtained by Greenpeace indicates that the company plans to develop a rainforest area of up to 2.8 million hectares in Papua.<sup>180</sup> As Indonesian law does not allow any one company to hold in excess of 200,000 hectares in Papua,<sup>181</sup> Sinar Mas has split large forest blocks into several concession areas. For example, it has created 14 separate companies in a bid to gain control of over 1.8 million hectares in the forested southeast corner of Papua.<sup>182</sup>

Unilever has a long-standing relationship with Sinar Mas, with one 1999 Sinar Mas document stating: 'Our major customers include Cargill and Unilever. These sales were made through foreign brokers or directly to the importer located in the countries to which the products were exported.'<sup>183</sup> The Sinar Mas 2004 and 2006 Annual Reports<sup>184</sup> also indicate that Unilever has been an important client in 2003–2006, along with Nestlé and Carrefour.<sup>185</sup>

## WHAT THE COMMODITY TRADERS ARE ADDING TO THE MIX

Global commodity traders including ADM-Kuok-Wilmar, Cargill, Golden Hope and Sinar Mas have commanding control over the entire palm oil supply chain – from plantations in Indonesia to refined vegetable oil or biofuel. In addition to their direct control of massive landbanks and processing infrastructure, most of these traders have substantial dealings with third party suppliers. This means that they are in a decisive position to determine supply and influence the market.

Through the indiscriminate purchasing and blending of palm oil from deforestation and the conversion of peatlands into an undifferentiated supply for the global market, their operations render responsible purchasing virtually impossible. In this way, they fuel climate change, biodiversity loss and social conflict. As one RSPO member, a major food retailer, described it: 'Due to the logistics of this particular commodity market, real traceability is simply not possible at this time.'<sup>186</sup>

Consequently, consumer companies who manufacture products using palm oil have virtually no way of knowing whether or not the palm oil they are using is from rainforest destruction and conversion of peatlands.

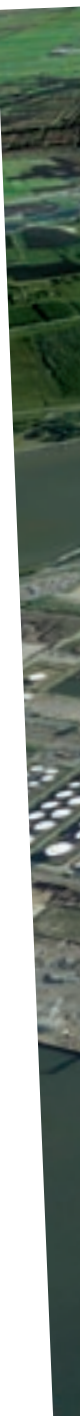
This lack of traceability in the supply stream was described to Greenpeace by RSPO members, including a commodity trader,<sup>187</sup> an international retailer<sup>188</sup> and a food manufacturer:<sup>189</sup>

- (1) 'Firstly numerous plantations, of varying sizes, crush the palm fruit at in-country mills' – in other words, many suppliers.
- (2) 'The crude palm oil is then transported to shared storage tanks at ports awaiting export' – in other words, no segregation.
- (3) 'The majority of this volume is shipped using shared vessels which en route to their final destination may pick up additional crude palm oil from other producing countries' – in other words, no segregation.
- (4) 'In Europe, Rotterdam is the main consolidation (bulk storage) port for the imports of crude palm oil' – in other words, no segregation.
- (5) 'Brokers will then sell the oil on to either end users or in the majority of instances, on to processors' where the palm oil may be blended with other oils – in other words, no segregation.
- (6) It is only at this stage that RSPO members who use palm oil in finished products actually buy palm oil: indeed, most Indonesian 'palm oil used within Europe is bought on the open market'.

The conclusion is straight-forward, as one RSPO member said: 'We do not believe it is possible currently to robustly trace and segregate a specific source (country & region) for commercial volumes of palm. The only exception to this being limited quantities of crude organic palm oil.'<sup>190</sup> Further, even when palm oil that meets RSPO criteria becomes commercially available, 'due to the complexity of the supply chain, it will be virtually impossible to guarantee true segregation of sustainable palm oil'.<sup>191</sup>

Many RSPO members, including one of the world's top names in confectionery, claim that virtually all of their palm oil is supplied by RSPO members – eg refiners and traders like ADM-Kuok-Wilmar, Cargill, Golden Hope and Sinar Mas. However, these actors are driving the expansion of the palm oil industry in Indonesia, leading to further deforestation, degradation of peatlands and GHG emissions.

The commodity trade and other big players who are end users of palm oil are using RSPO membership to deflect attention from the real crisis linked to the industry's expansion.





# WHO SUPPLIES THE TRADE?

## Sinar Mas Group – directly trading forest destruction

Is Sinar Mas an RSPO member?

**Yes**<sup>192</sup>

Expanding into biofuels?

**Yes**

Approximate size of

known concession area:

**Indonesia 1.65 million ha:**<sup>193</sup>

**Riau 109,000ha**<sup>194</sup>

## Links to Riau deforestation and peatland degradation

Peatland:

**6 concessions,**<sup>195</sup> **estimated total area over 54,000ha**

Historic deforestation within the last two decades (1989–2003):

**7 out of 12 concessions**<sup>196</sup>

Recent or ongoing deforestation (2001–2007):

**6 out of 12 concessions**<sup>197</sup>

Recent fire hotspots (2005–2007):

**6 (3 peatland) concessions**<sup>198</sup>

Global trade:

Sinar Mas exported some 400,000 tonnes of palm oil products in the first half of 2007. India and China took nearly half of all exports. 85,000 tonnes was shipped to Italy, The Netherlands, Germany, Spain and the UK.

Is Unilever using Sinar Mas palm oil?

**Yes**

## ADM-Kuok-Wilmar - directly trading forest destruction

Is ADM-Kuok-Wilmar an RSPO member?

**Yes**<sup>199</sup>

Expanding into biofuels?

**Yes**

Estimated size of known concession area:

**Indonesia: 210,000ha**

**+ 283,000ha (with merger in process),<sup>200</sup> Riau 51,000ha**<sup>201</sup>

## Links to Riau deforestation and peatland degradation

Peatland:

**3 concessions,**<sup>202</sup> **estimated total area over 29,000ha**

Historic deforestation within the last two decades (1989–2003):

**3 out of 5 concessions**<sup>203</sup>

Recent or ongoing deforestation (2001–2007):

**4 out of 5 concessions**<sup>204</sup>

Recent fire hotspots (2005–2007):

**4 (3 peatland) concessions**<sup>205</sup>

Global trade:

Wilmar exported almost 1Mt of palm oil products in the first half of 2007. India and China took almost one-third of all exports. 151,000 tonnes (15%) was shipped to Germany, The Netherlands, Greece, Spain, Portugal and Italy.

Is Unilever using

ADM-Kuok-Wilmar palm oil?

**Yes**

## ADM-Kuok-Wilmar and Cargill – trading Astra Agro destruction

Is Astra Agro an RSPO member?

**No**

Expanding into biofuels?

**No**

Estimated size of known concession area:

**Indonesia 291,000ha;**<sup>206</sup>

**Riau 77,000ha.**<sup>207</sup>

## Links to Riau deforestation and peatland degradation

Peatland:

**2 concessions,**<sup>208</sup> **estimated total area over 20,000ha**

Historic deforestation within the last two decades (1989–2003):

**4 out of 6 concessions**<sup>209</sup>

Recent or ongoing deforestation (2001–2007):

**4 out of 6 concessions**<sup>210</sup>

Recent fire hotspots (2005–2007):

**5 (2 peatland) concessions**<sup>211</sup>

Global trade:

ADM-Kuok-Wilmar shipped 15,250 tonnes to India and nearly 3,000 tonnes to China in the first half of 2007.

Cargill shipped nearly 2,000 tonnes of palm oil products from Astra Agro to Germany in the first half of 2007. Do ADM-Kuok-Wilmar or Cargill know if they are selling Astra Agro palm oil to Unilever?

**Once palm oil gets into the system, Unilever cannot know the source.**

### ADM-Kuok-Wilmar alliance and Cargill – trading Salim Group destruction

Is Salim Group an RSPO member?

No

Expanding into biofuels?

No

Estimated size of known concession area:

Indonesia 230,000ha;<sup>212</sup>

Riau 28,000 ha.<sup>213</sup>

### Links to Riau deforestation and peatland degradation

Peatland:

1 concession,<sup>214</sup>

estimated total area 8,500ha

Historic deforestation within the last two decades (1989–2003):

3 out of 4 concessions<sup>215</sup>

Recent or ongoing deforestation (2001–2007):

3 out of 4 concessions<sup>216</sup>

Recent fire hotspots (2005–2007):

3 (1 peatland) concessions 2005–2007<sup>217</sup>

Global trade:

Cargill shipped over 12,000 tonnes of palm oil from Salim Group in the first half of 2007, with the bulk going to Germany and The Netherlands.

Various companies within the ADM-Kuok-Wilmar alliance also traded during the same period. Wilmar exported 1,000 tonnes of palm oil products from the Salim Group to the USA. Between them, Wilmar and Kuok Oils exported 2,500 tonnes to Singapore, where Wilmar owns a biodiesel plant.<sup>218</sup>

Do ADM-Kuok-Wilmar or Cargill know if they are selling Salim group palm oil to Unilever?

Once palm oil gets into the system, Unilever cannot know the source.

### ADM-Kuok-Wilmar alliance and Cargill – trading Duta Palma destruction

Is Duta Palma an RSPO member?

Yes<sup>219</sup>

Expanding into biofuels?

Yes

Estimated size of known concession area:

Indonesia 200,000ha;<sup>220</sup>

Riau 104,000ha<sup>221</sup>

### Links to Riau deforestation and peatland degradation

Peatland:

5 concessions, total area over

55,000ha<sup>222</sup>

Historic deforestation within the last two decades (1989–2003):

5 out of 12 concessions<sup>223</sup>

Recent or ongoing deforestation (2001–2007):

7 out of 12 concessions<sup>224</sup>

Recent fire hotspots (2005–2007):

12 concessions<sup>225</sup>

Global trade:

Based on export data from the Dumai port in 2002, Duta Palma group subsidiaries<sup>226</sup> sold about 30% of their palm oil to Cargill and about 12% to ADM-Kuok-Wilmar. The primary port destination was Rotterdam, where both Cargill and ADM-Kuok-Wilmar have refineries. A small volume also went to Hamburg in Germany, where both Cargill and ADM have refineries.

In 2004, a third of Duta Palma's exports went to Europe. The primary port destination was Rotterdam.

According to confidential data obtained by Greenpeace, all of Duta Palma's production for the first half of 2007 was shipped through Dumai. Over a fifth of this went to Europe and almost two-thirds to India. The primary European destination ports were Rotterdam and Hamburg.

Do ADM-Kuok-Wilmar or Cargill know if they are selling Duta Palma group palm oil to Unilever?

Once palm oil gets into the system, Unilever cannot know the source.

### ADM-Kuok-Wilmar alliance, Cargill and Golden hope – trading Musim Mas destruction

Is Musim Mas an RSPO member?

Yes<sup>227</sup>

Expanding into biofuels?

Yes<sup>228</sup>

Estimated size of known concession area:

Indonesia 60,000ha;

Riau 31,000ha<sup>229</sup>

### Links to Riau deforestation and peatland degradation

Peatland:

1 concession,<sup>230</sup> estimated area 30,600ha

Historic deforestation within the last two decades (1989–2003):

None

Recent or ongoing deforestation (2001–2007):

1 concession<sup>231</sup>

Recent fire hotspots (2005–2007):

1 peatland concession<sup>232</sup>

Global trade:

In the first half of 2007 Cargill exported 14,500 tonnes of palm oil products from PT Musim Mas in North Sumatra, via Belawan port. Over 4000 tonnes were shipped to Germany.

In the same period, Wilmar (Singapore) exported over 10,000 tonnes from PT Musim Mas, mainly to China.

Golden Hope Plantations also bought from Musim Mas. In the first half of 2007, Golden Hope exported 23,500 tonnes of palm oil products from Musim Mas through Dumai and Belawan to Vietnam, Malaysia and The Netherlands.

Golden Hope exported 4,500 tonnes of Musim Mas palm oil products to Rotterdam, where Golden Hope has an oil refinery. Until 2002, this refinery was owned by Unilever.<sup>233</sup>

Do ADM-Kuok-Wilmar, Cargill or Golden Hope know if they are selling Musim Mas palm oil to Unilever? Once palm oil gets into the system, Unilever cannot know the source.

In March 2006 Unilever's Europe based union wrote to CEO of Unilever in Rotterdam warning that the Unilever products may 'include as ingredients palm oil products from Musim Mas.'<sup>234</sup>



# FEEDING THE FOOD CHAIN

Riau, Indonesia



Small holders



Plantation



CPO mill



CPO storage tanks



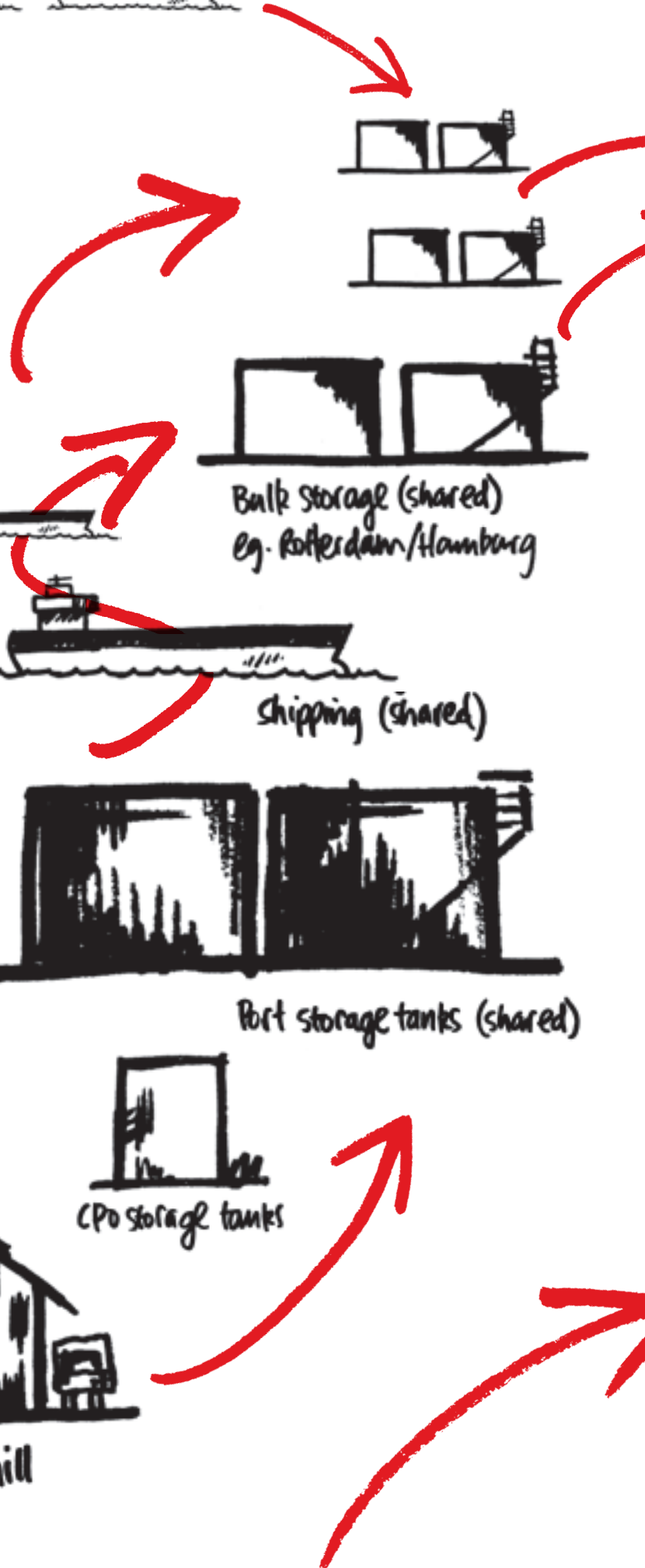
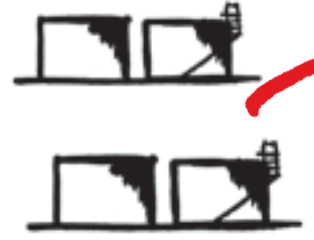
Port storage tanks (shared)



Shipping (shared)

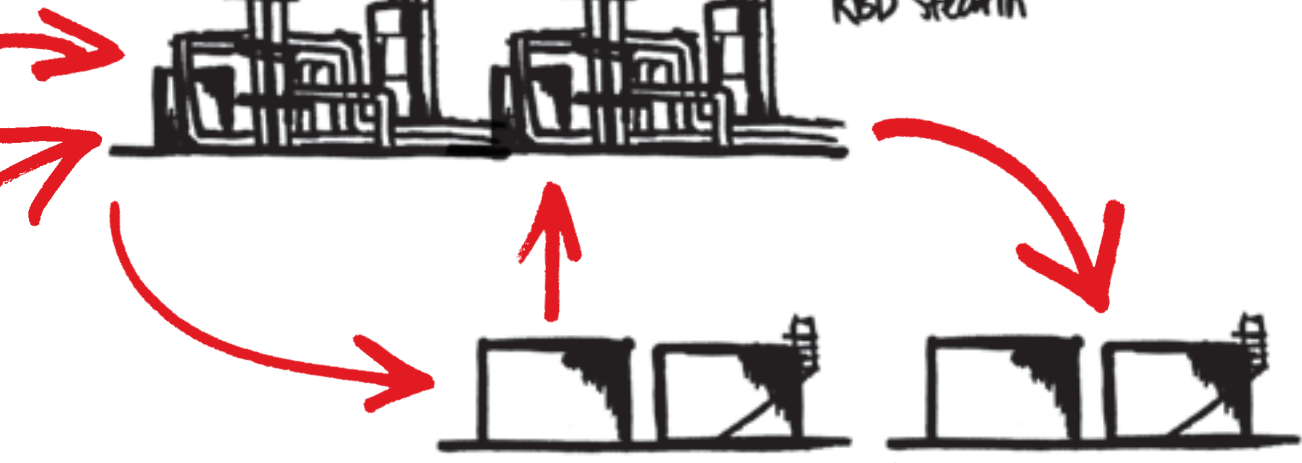


Bulk storage (shared)  
eg. Rotterdam/Hamburg



Refined, Bleached and Deodorised

RBD Olein or RBD Stearin



Ingredient manufacturer oil storage tanks

Food manufacturers oil storage tanks



Ingredient manufacturer

Food manufacturer



## MAJOR NAMES IN THE FOOD INDUSTRY ARE USING TAINTED PALM OIL

### PROCTER & GAMBLE USES NEARLY 1% OF GLOBAL PALM OIL PRODUCTION

**'Why travel when we've got the freshness of palm trees and sunshine all bottled up?'**<sup>235</sup>

Procter & Gamble, on one of its laundry detergents that uses palm oil

Greenpeace wrote to all the major palm oil users raising concerns about the contribution of palm oil from deforestation to climate change, and requesting information on companies' supplies. Procter and Gamble did not respond.

Ranked as the number one Household and Personal Products Company in *Fortune's* 'America's Most Admired Companies',<sup>236</sup> Procter & Gamble has one of the strongest portfolios of brands in the world. It declares that 'three billion times a day, P&G brands touch the lives of people around the world'.<sup>237</sup> These brands – ranging from baby care to toothpaste to shaving cream to washing detergent to snack foods to instant drinks to batteries – include Pampers, Crest, Gillette, Head & Shoulders, Ariel, Pringles, Folgers and Duracell.<sup>238</sup>

Many Procter & Gamble products contain palm oil derivatives, including iconic brands such as Ariel,<sup>239</sup> Oil of Olay,<sup>240</sup> and Pringles.<sup>241</sup>

At the end of October 2007, Peter White, Procter & Gamble's director of global sustainability, declared that the company is committed to 'contributing to the sustainability of our planet',<sup>242</sup> and announced the company's five year sustainability goals,<sup>243</sup> including a commitment to 'reduce CO<sub>2</sub> emissions, energy and water consumption, and disposed waste per unit of production by an additional 10% each, contributing to a 40% reduction over the decade (2002–2012)'.<sup>244</sup>

Since 2005 Procter & Gamble has been busy expanding its market share in palm oil products, setting up a joint venture in Malaysia and a ten-year supply contract in Indonesia. Total contracted production for Procter & Gamble since 2005 is over 320,000 tonnes a year,<sup>245</sup> nearly 1% of global palm oil production.<sup>246</sup>

In March 2005 P&G teamed up with Felda Palm Industries (Malaysia), which claims to be the 'world's largest producer

of palm oil and palm kernel oil'.<sup>247</sup> The 50/50 joint venture – FPG Oleochemicals – has led to the construction of a refinery producing 120,000 tonnes of palm oil derivatives each year. Procter & Gamble Chemicals markets the plant's entire output.<sup>248</sup>

In 2005 Procter & Gamble signed a ten-year deal worth \$1 billion<sup>249</sup> with Sawit Mas Group to supply more than 200,000 tonnes a year of palm oil derivatives.<sup>250</sup> These palm oil derivatives were to be used as raw materials in Procter & Gamble's Beauty and Fabric Care businesses (ie cosmetics and detergents) around the world, and also marketed to the global chemical industry by Procter & Gamble Chemicals.<sup>251</sup>

The Sawit Mas Group is a member of the RSPO. It owns more than 100,000 hectares of oil palm plantation land spread across the island of Sumatra and operates downstream processing facilities like palm oil mills, kernel crushing plants and refineries in Riau and North Sumatra.<sup>252</sup> Greenpeace has identified two concessions on peat, one in Riau and one in Jambi province.<sup>253</sup> The Riau concession, PT Flora Wanaha Tirta, had fire hotspots in 2005.<sup>254</sup> The Jambi concession, PT Kaswari Unggul, is on peat with a depth of more than 4 metres according to official maps.

### NESTLÉ TRADING WITH CARGILL

Nestlé is an RSPO member.<sup>255</sup>

In a response to Greenpeace's letter questioning its sources of palm oil, Nestlé replied saying that it uses about 170,000 tonnes of palm-based oil per year – nearly 0.5% of world production.<sup>256</sup> The company states that it buys from 'reputable manufacturers who source their crude palm oil mainly from Malaysia and Indonesia'. Nestlé estimates that 95% comes from RSPO members<sup>257</sup> – most of the major traders and refiners are RSPO members.

As no suppliers details were given by Nestlé's Public Affairs people, Greenpeace asked Nestlé staff directly. Cargill was named as one of Nestlé's suppliers, at least in Europe. Cargill staff have confirmed this.<sup>258</sup>

KitKat is one of Nestlé's leading global confectionary brands. According to the Nestlé website, KitKat is listed in the Guinness Book of World Records. Every second, 418 KitKat fingers are consumed worldwide. In fact, 'every five minutes



enough KitKats are manufactured to outstack the Eiffel Tower, while a year's production would stretch around the London Underground more than 350 times.<sup>259</sup> Making such a huge quantity of KitKats takes a lot of raw materials.

Greenpeace has been able to trace palm oil from Cargill's refinery in Rotterdam to the Nestlé York factory in the UK. The factory receives about 100 tonnes of refined palm kernel oil (PKO) from Cargill every week, which is used in the manufacture of KitKat.<sup>260</sup>

Other KitKat factories which use palm oil include ones located in Canada<sup>261</sup> and Hershey (USA).<sup>262</sup>

### **KRAFT AND A LOAD OF OTHER WORLD LEADERS IN THE FOOD INDUSTRY HAVE THEIR FINGERS IN THE PALM OIL PIE**

**Kraft** is a member of the RSPO.<sup>263</sup>

In a letter to Greenpeace, Kraft admitted to using around 0.5% of worldwide palm oil production – putting it on a par with Nestlé, which uses about 170,000 tonnes of palm oil a year. Kraft's palm oil supplies are sourced from Malaysia and Indonesia.<sup>264</sup>

Kraft uses palm oil in crisps, cookies, crackers and chocolate fillings.<sup>265</sup>

Its world-famous brands that use palm oil include low-fat Kraft cheese slices,<sup>266</sup> Philadelphia cream cheese,<sup>267</sup> as well as Oreo cookies.<sup>268</sup>

**McCain** is a member of the RSPO.<sup>269</sup>

McCain claims to be the world's largest producer of frozen food and french fries, producing nearly a third of the frozen french fries produced internationally. The company is known for pizzas, desserts, oven meals and other frozen foods on six continents.<sup>270</sup>

In response to a request from Greenpeace on the company's palm oil supplies, McCain responded that it did not 'use palm or palm kernel oil in McCain branded products' in the UK.<sup>271</sup> According to the UK website, however, McCain uses palm oil in its own brand Beer Battered Chips.<sup>272</sup>

McCain did admit to using palm oil in food products it

manufactures for a third-party fast food company that specifies a '4% blend of palm oil'. It claims this comes from RSPO member suppliers.<sup>273</sup>

In Canada, the company uses palm oil in Delite chocolate, vanilla and marble cakes, Smiles Fun Shaped Potatoes, Microwave Pizza, amongst other products.<sup>274</sup>

**Pizza Hut** is not an RSPO member.<sup>275</sup>

Pizza Hut claims to be the 'biggest Pizza Company on the planet'.<sup>276</sup> It uses palm oil in chocolate fudge cake, profiteroles, banoffee pie, ice cream and other desserts.<sup>277</sup>

Pizza Hut did not respond to a letter from Greenpeace asking the company to track the sources of its palm oil supplies.

**Burger King** is not a member of the RSPO.<sup>278</sup>

Burger King is the second largest hamburger chain in the world (it has 'millions of customers, who we love to bits').<sup>279</sup> It uses palm oil in its hamburger buns, chicken bites, hash browns, doughnuts and a host of other products.<sup>280</sup>

Burger King did not respond to a letter from Greenpeace asking the company to track the sources of its palm oil supplies.

**Cadbury Schweppes** is a member of the RSPO.<sup>281</sup>

Cadbury Schweppes claims to be 'the world's largest confectionery business',<sup>282</sup> selling products containing palm oil such as Cadbury's Flake – the 'crumbliest, flakiest chocolate in the world'.<sup>283</sup>

In a letter to Greenpeace, Cadbury Schweppes asserted that it could identify all its palm oil suppliers to the UK, 'all of whom are members of the RSPO'.<sup>284</sup>

**Danisco** is a member of the RSPO.<sup>285</sup>

Danisco claims to be the 'world's largest supplier of food emulsifiers',<sup>286</sup> its products used in 'every second ice cream and cheese, every third box of detergent and every fourth loaf of bread produced globally'.<sup>287</sup>

The company uses up to 30,000 tonnes of refined palm oil each year.<sup>288</sup>



机场高速 AIRPORT EXPWY	S101	2.5km
京顺路 JINGSHUN RD	G101	3.5km
京承高速 JINGCHENG EXPWY		5.5km

