

# NEW EVIDENCE SINAR MAS - RAINFOREST AND PEATLAND DESTRUCTION

Cleared forests on deep peat within the High Conservation Value area in PT ALM concession. Peatland three or more metres deep may not be converted to plantations according to Indonesian law. PT ALM, Ketapang District, West Kalimantan. 9 March 2010. GPS: 1 36' 0.6" S/110 25' 9.2" E



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# NEW EVIDENCE SINAR MAS - RAINFOREST AND PEATLAND DESTRUCTION

Greenpeace has new evidence proving that Sinar Mas continues to destroy peatlands and rainforests, pushing orang-utans closer to the brink of extinction and accelerating climate change.

Sinar Mas is the largest palm oil producer in Indonesia, supplying many food and cosmetic companies worldwide, including Nestlé via traders like Cargill. It has a long history of breaking its environmental commitments, both in the palm oil and the pulp and paper-sector.<sup>i</sup>

Most recently, on 4 February 2010, Sinar Mas sent a letter to its stakeholders stating that PT SMART, one of its subsidiaries and a member of the Roundtable on Sustainable Palm Oil, would stop clearing on peatlands and in High Conservation Value (HCV) Areas<sup>ii</sup>, following the release of Greenpeace's December 2009 report *Illegal Forest Clearance and RSPO Greenwash: Case studies of Sinar Mas*.

One of the report's documented examples of illegal forest clearance features a concession owned by PT Agro Lestari Mandiri (PT ALM) in Ketapang District, West Kalimantan.

Greenpeace has new evidence from the field, showing that Sinar Mas continued to clear peatlands and orang-utan habitat in its PT ALM concession, despite its commitment to stop (see satellite images and photographs on pages 3 and 4).

This, in addition to its past actions, shows companies like Cargill and Nestlé, that Sinar Mas' palm oil commitments cannot be trusted.

Greenpeace is calling on the Indonesian government to implement a full moratorium on forest and peatland clearance.<sup>iii</sup>

## New evidence

### 2010

A comparison of satellite images from 23 February 2010 and 19 November 2009, confirms that peatland and forest clearance continues in PT ALM concessions. It also shows that approximately 2,300 hectares (of the 6,252 hectares identified as HCV in 2006)<sup>iv</sup>, has been cleared by PT ALM.

On 14 March, Greenpeace visits PT ALM and documents the continuing clearance of peat and HCV areas in PT ALM's concession. Greenpeace confirms that by continuing to clear this area, Sinar Mas is destroying orang-utan habitat, identified by UNEP.<sup>v</sup> Testimonies from local villagers confirm that – before the land clearing started – orang-utans were frequently seen in the area (see satellite images and photographs on pages 3 and 4).

## A history of destruction

### 2009

During a Greenpeace field investigation in April 2009, a local employee of PT ALM confirms that there is an orang-utan nest within the concession. The investigators document active forest clearing in the company's concession near Sihid village, Ketapang, West Kalimantan in an area designated as HCV in 2006. The clearing of HCV violates its commitments under RSPO Principles and Criteria (see page 4).

### 2007

Satellite imagery confirms that approximately 4,000 hectares of land had already been cleared in the concession by July 2007.<sup>vi</sup> The company only gets the necessary approval of this Environmental Impact Assessment (EIA), required to obtain a plantation permit in December 2007, by which time it has been illegally clearing forest for nearly two years.<sup>vii</sup>

### 2006

In March 2006, the director of PT ALM signs a written declaration stating that no land clearing for plantation development has taken place in PT ALM's concession area.<sup>viii</sup> However, a photo of the concession in the local newspaper shows that an inauguration ceremony for forest clearance took place in preparation for oil palm planting in September 2005.<sup>ix</sup>

The same year, PT SMART commissions an HCV assessment of the concession. The assessor produces a report in October that shows that the PT ALM estate has an extensive peat dome up to seven metres deep<sup>x</sup>, which according to Indonesian law, means it is illegal to clear forests or develop a plantation in this area.<sup>xi</sup>

## What needs to happen?

### TO PROTECT INDONESIA'S REMAINING FORESTS CONSUMER COMPANIES MUST:

- Stop trading with companies within the Sinar Mas group. This includes Golden Agri Resources and its subsidiaries, as well as Sinar Mas Forestry and Asia Pulp & Paper (APP).
- Stop buying Sinar Mas palm oil and pulp products from third-party suppliers.

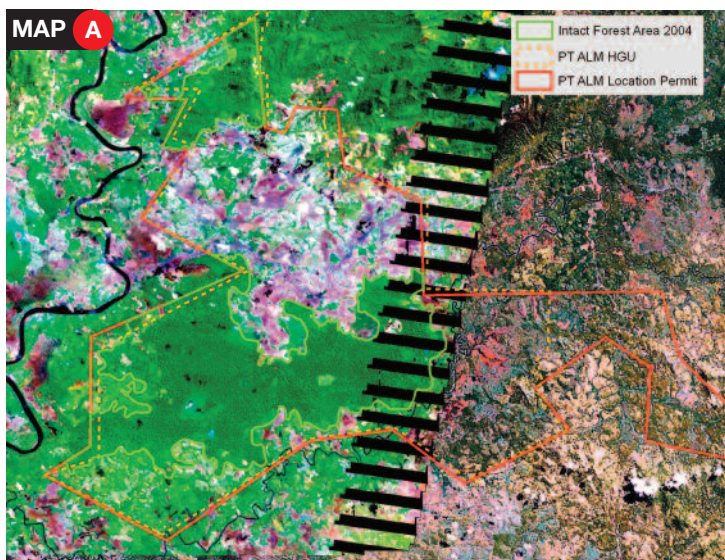
### BE PART OF THE SOLUTION: SUPPORT ZERO DEFORESTATION

- Engage with the Indonesian government and industry to protect peatlands and deliver a moratorium on forest clearance.<sup>xii</sup>

### GOVERNMENTS AND INVESTORS THAT FINANCIALLY SUPPORT THE PALM OIL SECTOR MUST:

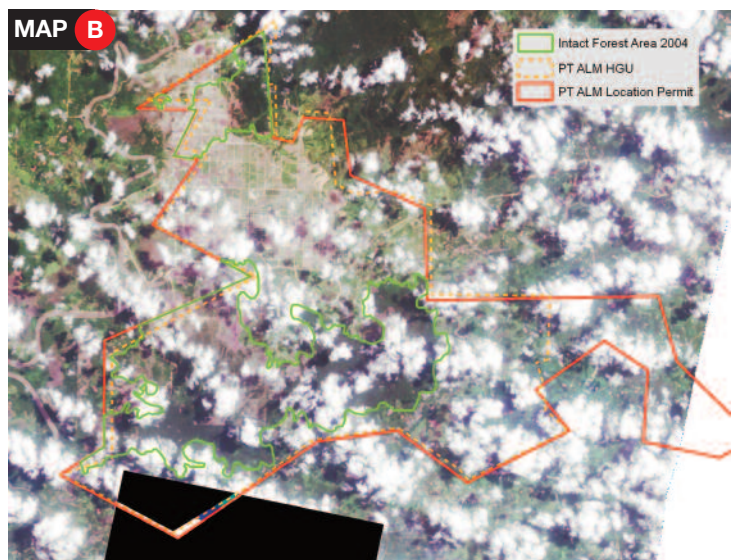
- Stop all financing of the Sinar Mas group of companies until they implement a moratorium on further forest clearance for plantations.





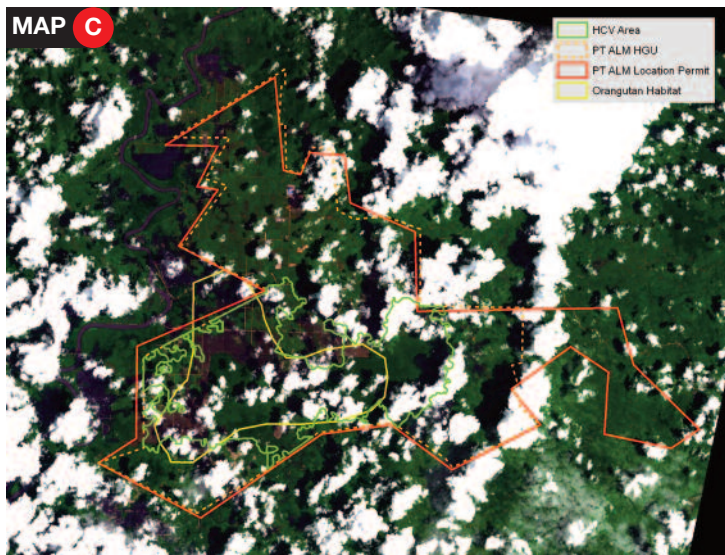
### MAP A: PT ALM CONCESSION AREA 2004 - FOREST STILL INTACT

The original PT ALM concession boundary shown in red<sup>1</sup> and the final boundary in orange<sup>2</sup> laid over a satellite image<sup>3</sup> taken on 3 June 2004. The green line highlights the forest that was still intact in 2004.



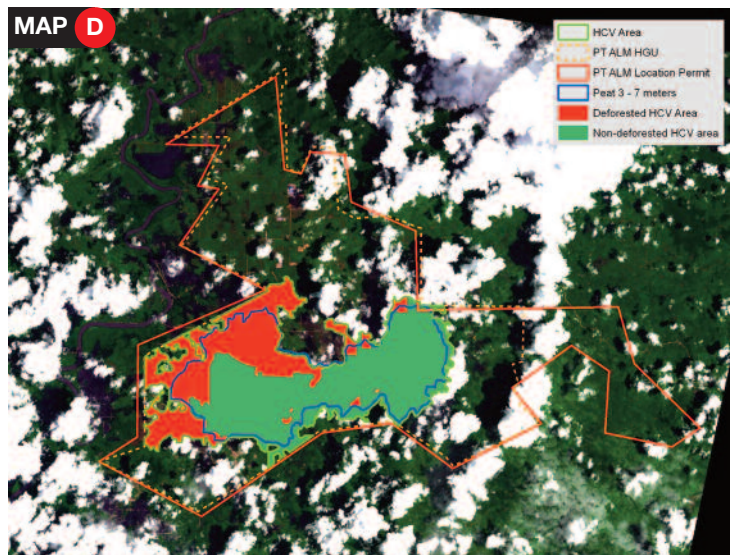
### MAP B: PT ALM CONCESSION AREA 2007 - FOREST DESTROYED

The same PT ALM concession shown in map 1 laid over a satellite image<sup>4</sup> from August 2007. Months before the environmental impact assessment was approved, extensive clearance in previously intact forest areas had already taken place. The green line shows forest that was intact in 2004, while the light brown areas show the extent of forest clearance.



### MAP C: PT ALM CONCESSION AREA 2010 - ENCROACHING ON ORANGUTAN HABITAT

The PT ALM concession boundaries laid over a satellite image<sup>5</sup> taken on 23 February 2010. The yellow line demarcates orang-utan habitat<sup>6</sup> and the green line the outer boundaries of identified High Conservation Value areas.<sup>7</sup>



### MAP D: PT ALM CONCESSION AREA 2010

Showing deforested versus forested High Conservation Value areas, resulting from a comparison of the 2006 High Conservation Value Forest assessment<sup>8</sup> and a satellite image<sup>9</sup> of February 2010. In this period, about 2,300 ha of High Conservation Value Forest were cleared partially on peat more than 3 metres deep, and therefore illegal to clear.

## REFERENCES

- i For examples of connections from APP to illegal forest activity see: EoF (2008). Police: 258 named suspects of illegal logging, Eyes on the Forest News, 23 April 2008 [http://eyesontheforest.or.id/index.php?option=com\\_content&task=view&id=179&Itemid=](http://eyesontheforest.or.id/index.php?option=com_content&task=view&id=179&Itemid=)
- ii Orangutan information from joint Press release by WWF, Zoological Society of London and others, 18 May 2009. [http://gftn.panda.org/newsroom/press\\_releases/?164553/Asia-Pulp--PaperSinar-Mas-Group-Set-to-Destroy-Orangutan-Reintroduction-Site-Critical-Tiger-Forest](http://gftn.panda.org/newsroom/press_releases/?164553/Asia-Pulp--PaperSinar-Mas-Group-Set-to-Destroy-Orangutan-Reintroduction-Site-Critical-Tiger-Forest)
- iii For example of failing to adhere to sustainability commitments: Rainforest Alliance (2007) Rainforest Alliance Public Statement: Termination of Contract to Verify High Conservation Value Forests (HCVF) for APP in Sumatra, Indonesia, January 2007. [www.rainforest-alliance.org/forestry/documents/app.pdf](http://www.rainforest-alliance.org/forestry/documents/app.pdf)
- iv Letter Pt SMART to all partners, 4 February 2010.
- v Greenpeace (2009) Criteria for the Moratorium on Forest conversion for Oil Palm Plantations, Greenpeace International.
- vi Identifikasi HCVF, Koneksi Perkebunan Kelapa Sawit PT Agrolestari Mandiri, Kabupaten Ketapang, Laboran Final, Simpuri Hutan, October 2006.
- vii Meijaard, E., Dennis, R. and Singleton, I. (2004) Borneo Orangutan PHVA Habitats Units: Composite dataset developed by Meijaard & Dennis (2003) and amended by delegates of the Orangutan PHVA Workshop, Jakarta, 15-18 January 2004. Subsequently further updated by Erik Meijaard.
- viii Satellite images in "Illegal land clearing and RSPR Greenwash: casestudies of Sinar Mas," Greenpeace, December 2009.
- ix Bapedalda (2009) list of approved EIA, March 2009, copy held with Greenpeace.
- x Statement from the director of PT ALM, dated 1 March 2006. Source: copy held with Greenpeace.
- xi Pontianak Post (2005) Buka Lahan, 13 September 2005.
- xii Simpuri Hutan (2006) Identifikasi HCVF, Koneksi Perkebunan Kelapa Sawit PT Agrolestari Mandiri, Kabupaten Ketapang, Laboran Final, Simpuri Hutan, October 2006.
- xiii Presidential Decision Nr. 32/1990 dated 25 July 1990, states that natural forests on peat soil of three metres or more, must be protected. A Ministry of Agriculture decree from February 2009, only permits companies to clear peatlands that are less than three metres deep.
- xiv Greenpeace (2009) Criteria for the Moratorium on Forest conversion for Oil Palm Plantations, Greenpeace International..

## MAP REFERENCES

- 1 Izin Lokasi, BPN Kalimantan Barat, 2006.
- 2 Plantation Permit (HGU) copy held with Greenpeace.
- 3 Landsat 7.
- 4 EO-1.
- 5 Aster satellite.
- 6 Meijaard, E., Dennis, R. and Singleton, I. (2004) Borneo Orangutan PHVA Habitats Units: Composite dataset developed by Meijaard & Dennis (2003) and amended by delegates of the Orangutan PHVA Workshop, Jakarta, 15-18 January 2004. Subsequently further updated by Erik Meijaard.
- 7 Simpuri Hutan (2006) Identifikasi HCVF, Koneksi Perkebunan Kelapa Sawit PT Agrolestari Mandiri, Kabupaten Ketapang, Laboran Final, Simpuri Hutan, October 2006.
- 8 Simpuri Hutan (2006) Identifikasi HCVF, Koneksi Perkebunan Kelapa Sawit PT Agrolestari Mandiri, Kabupaten Ketapang, Laboran Final, Simpuri Hutan, October 2006.
- 9 Simpuri Hutan (2006) Identifikasi HCVF, Koneksi Perkebunan Kelapa Sawit PT Agrolestari Mandiri, Kabupaten Ketapang, Laboran Final, Simpuri Hutan, October 2006.



PICTURE 1

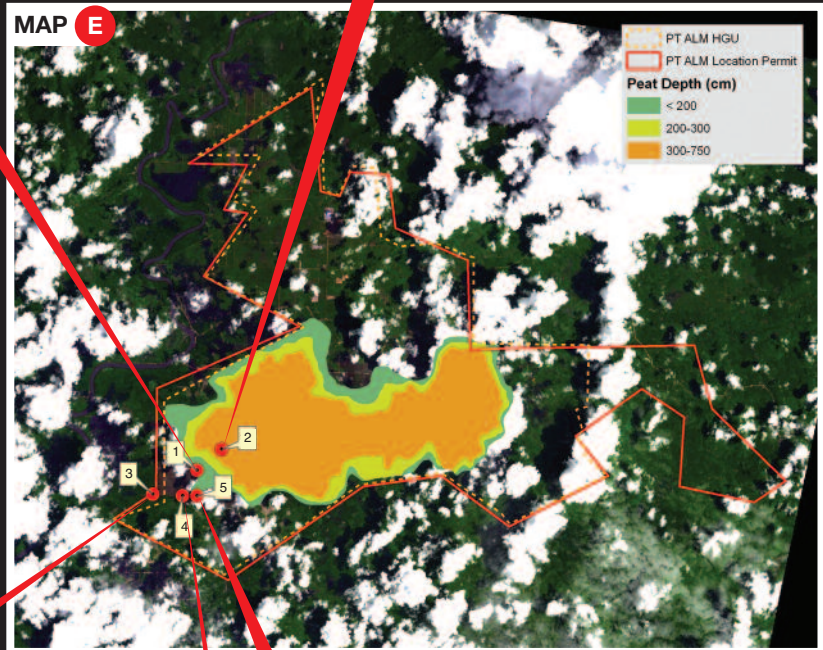


Recently planted oil palm plantations on cleared peatland and orang-tuan habitat, PT ALM, Ketapang District, West Kalimantan  
 22 April 2009, GPS: 1° 36' 27.36" S / 110° 24' 36.96" E  
 ©Greenpeace/Ryo Adna

PICTURE 2



Cleared forests on deep peat within the High Conservation Value area in PT ALM concession. Peatland three or more metres deep may not be converted to plantations according to Indonesian law. PT ALM, Ketapang District, West-Kalimantan. 9 March 2010, GPS: 1° 36' 0.8" S/110° 25' 9.2" E  
 © Greenpeace/ Ryo Adna



**PT ALM CONCESSION AREA 2010: ILLEGAL CLEARING WITHIN PEAT DOME**

The PT ALM concession boundaries laid over the same satellite image as used in map 3. The opaque green and brown area marks the peat dome within the PT ALM concession.<sup>9</sup> The points on the map refer to the locations where pictures 1-5 were taken.

PICTURE 3



Excavators clearing High Conservation Value area despite Sinar Mas' assurances this would stop. PT ALM, Ketapang District, West Kalimantan  
 14 March 2010, GPS: 1° 36'58.50" S / 110°23'40.40" E  
 ©Greenpeace/Ryo Adna

PICTURE 5



Camp for plantation workers where PT ALM has cleared forest. The area was identified by the UNEP as orang-utan habitat. PT ALM, Ketapang District, West Kalimantan 14 March 2010, GPS: 1°37'0.30" S / 110°24'37.50" E  
 ©Greenpeace/Ryo Adna

PICTURE 4



Cleared forest inside the High Conservation Value area, which Sinar Mas subsidiary PT SMART committed not to clear. PT ALM, Ketapang District, West Kalimantan 14 March 2010, GPS: 1°37'0.10" S / 110°24'18.00" E  
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