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## **Enough is enough: After eight years of “zero deforestation” promises, palm oil industry continues to destroy forests**

Eyes on the Forest calls on palm oil processors, traders and users to join government and civil society in saving Tesso Nilo and Bukit Tigapuluh landscapes

**PEKANBARU** – Palm fruit illegally grown inside critical wildlife areas continues to taint palm oil entering the supply chains of 24 global traders and brands who have made zero deforestation commitments, an Eyes on the Forest (EoF) report published today found. The protected areas lost to illegal palm oil plantations include some of the last habitats for critically endangered Sumatran elephants, tigers and orangutans in Indonesia.

EoF’s random chains-of-custody investigations continuing since 2011 found 22 crude palm oil (CPO) mills that purchase illegal palm fruit (FFB) harvested in central Sumatra’s two High Conservation Value areas, the Tesso Nilo and Bukit Tigapuluh landscapes. EoF found Indonesia’s so-called “Big 4” – GAR, Musim Mas, RGE and Wilmar – had purchased from these mills, often repeatedly, despite knowing that they had been implicated from earlier EoF reports.

The mills are also among the many direct or indirect suppliers of some of the world’s key traders and users with zero deforestation commitments, EoF’s investigation found: AAK, ADM, Bunge, Cargill, Colgate-Palmolive, Fuji Oil, General Mills, IOI, Kellogg’s, Louis Dreyfus, Mars, Mondelēz, Neste, Nestlé, Olam, PepsiCo, Proctor & Gamble, Reckitt Benckiser, Sime Darby and Unilever. The report’s findings were shared with the companies before publication.

“EoF praises the transparency of all these companies to begin publishing data on their supplier mills and we call on other companies to follow suit,” said Nursamsu, Leader of Monitoring Deforestation and Advocacy Program of WWF-Indonesia. “We were not surprised to find that many companies are implicated, as we know the scale of illegality in our landscapes and how the local actors, including the Big 4, operate. By having linked some of the biggest names in the industry to the issue, we ask they take action to use their purchasing strength and brand recognition as strong leverage on cleaning up their upstream suppliers and reversing the footprint of deforestation. We need their help to immediately halt the loss of any more of Sumatra’s incredibly biodiverse tropical forests.”

EoF believes its study identified only the tip of the iceberg. We believe the report details a picture of the widespread illegality in the palm oil sector in central Sumatra’s as a whole, not only in the two landscapes highlighted. Central Sumatra is ground zero for the worst deforestation on the island of Sumatra, itself a global hot spot for deforestation. EoF found that trucks with illegal fresh fruit bunches (FFB) drove up to 145 kilometers and spent up to 5 days on the road, long and far enough to reach almost 200 CPO mills, way beyond district and provincial boundaries from its origins in Tesso Nilo National park. The new report proves our 2016 report’s assumption that no one is safe from purchasing palm oil tainted with illegality and deforestation. In the absence of purchasing filters at the mill level, similar

use of illegally grown FFB likely occurs in many conservation priority areas, contaminating many more global companies' supply chains.

Eyes on the Forest's report highlights the importance of tracing all palm oil supplies all the way to the plantations. Interestingly, when EoF contacted the Big 4 about the percentage of third party supplies entering their processing facilities and overall FFB traceability, they either did not provide data (Wilmar) or stated these data were not yet available.

"Without knowing the actual sources, how can anybody feel 100% secure that they do not buy products contaminated with illegal palm fruit?" said Riko Kurniawan, Director of WALHI Riau. "The Big 4 have known the widespread illegality in the region for a long time however are still putting their priority on securing enough FFB supply to fulfill their downstream demands, relying heavily on unreliable supplies from third party plantations, agents and traders. Considering the huge responsibility they have to protect their downstream customers, they are clearly failing to put enough effort into fixing the issue."

Lack of robust FFB traceability also means that it is impossible for any company to implement a commitment to stop deforestation as there is no way to find out whether the FFB was harvested from plantations that were planted after deforestation. "Does the industry want to be remembered as playing a hand in destroying Tesso Nilo National Park into an oil palm plantation and have caused the extinction of the Sumatran tiger in Tesso Nilo while having zero deforestation policy?" asked Riko Kurniawan.

"Despite years of commitments, the industry is still entangled in the conversion of forests to oil palm. Enough is enough," said Diki Kurniawan from KKI WARSI, an EoF network member in Sumatra. "In the eighth year since the industry's first 'zero deforestation' policy, there is a clear need for industry and civil society to review all the supply chain work and its real achievements on the ground, directing future efforts on the original purpose of zero deforestation commitments – to stop the destruction in areas like Tesso Nilo and Bukit Tigapuluh and actually start efforts to reverse these footprints."

"Lack of governance and enforcement in the past have incentivized large scale encroachment of protected forests for illegal palm oil plantation development, since we published our last report the Ministry of Environment and Forestry has established a task force to revitalize the Tesso Nilo ecosystem," said Woro Supartinah. "We will continue to conduct investigations to support the task force's objective to stop CPO mills from purchasing FFB from illegal plantations in Tesso Nilo. We hope that the Big 4 and other companies can support the Ministry's efforts by working with their upstream suppliers to achieve 100% FFB traceability as soon as possible so illegally and unsustainably produced/harvested FFB can be identified, separated and rejected."

EoF coalition urge the Big 4 and global palm oil industry to comply with Riau Police call and the Ministry of Environmental and Forestry's policy for not sourcing any FFB from Tesso Nilo landscape as 58 CPO mills surrounding Tesso Nilo were warned by the police on 17 February 2017.

"Following Tesso Nilo's example, local government, companies, NGOs and communities recently formed a Bukit Tigapuluh task force to save and restore the landscape," said Diki Kurniawan. "We strongly urge companies to support the efforts by Tesso Nilo and Bukit Tigapuluh task forces through their meaningful contribution to address their deforestation legacy and begin protecting and restoring some of the most precious conservation areas like Tesso Nilo and Bukit Tigapuluh It is not acceptable that one industry is jeopardizing all our local efforts for conservation. "

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**Notes to editors:**

- The new report is published here: <http://eyesontheforest.or.id/reports/investigative-report-enough-is-enough-jun-2018>
- Prior to publication, EoF requested the Big 4 and 20 global traders and brands mentioned in the report to check the draft report and inform EoF of factual errors with supporting evidence. Their responses are summarized in Appendix 4 of the report.
- EoF previously published the following reports based on investigations into the trade of illegal palm oil fruit from the two landscapes:
  - No One is Safe (2016): <http://eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-No-One-is-Safe-April-20161.pdf>
  - Tiger in Your Tank? (2014) <http://eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-Tiger-in-your-tank-September-2014.pdf>
  - Palming Off a National Park (2013) [http://d2ouvy59p0dg6k.cloudfront.net/downloads/wwf\\_indonesia\\_palming\\_off\\_a\\_national\\_park\\_tesso\\_nilo\\_sumatra\\_2013.pdf](http://d2ouvy59p0dg6k.cloudfront.net/downloads/wwf_indonesia_palming_off_a_national_park_tesso_nilo_sumatra_2013.pdf)