



CARBON BOMB SCANDALS

BIG BRANDS DRIVING
CLIMATE DISASTER
FOR **PALM OIL**

NEW INVESTIGATION EXPOSES CONSUMER GOODS COMPANIES
STILL BUYING ILLEGAL PALM OIL FROM PROTECTED WILDLIFE
RESERVE IN SUMATRA'S LEUSER ECOSYSTEM

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ABOUT RAN



Rainforest Action Network campaigns for the forests, their inhabitants and the natural systems that sustain life by transforming the global marketplace through education, grassroots organizing and non-violent direct action.

COVER/ABOVE: Illegal palm oil expansion into the peat forests of the Rawa Singkil Wildlife Reserve by Mr Mahmudin. 2018.

INTRODUCTION



We have an opportunity to protect the **Leuser Ecosystem.**

For decades now, the destruction of Indonesia’s peatlands has been a globally significant driver of carbon pollution into the atmosphere. In the lead up to the Paris COP21 climate summit in 2015, fires from peatlands being cleared for palm oil production in the country were recorded to be spewing more carbon into the sky than the entire emissions of the United States combined.¹ Since then the multinational brands responsible for this climate catastrophe have issued new “Forest Positive” pledges and collective plans to end deforestation and address their role in driving climate change through their consumption of palm oil. **In May 2022, two Rainforest Action Network field investigations uncovered that these “Forest Positive” pledges are not being fulfilled on the frontlines of palm oil expansion in Indonesia.**

RAN’s investigators have found that palm oil grown at the expense of carbon-rich peat forests in a protected nature reserve inside the Leuser Ecosystem is entering global supply chains and making its way into products lining grocery store shelves around the world. Products like Ivory, Safeguard, Old Spice, Oreos, Chips Ahoy!, Ritz, Cadbury, Wheat Thins, Triscuit and Cup Noodles are tainted with Conflict Palm Oil--palm oil that has driven deforestation and the massive release of carbon emissions from the destruction of peat forests in the Leuser Ecosystem.

This exposé comes after major multinational brands have been repeatedly exposed for sourcing palm oil grown at the expense of the forests of the Leuser Ecosystem, including inside the nationally protected Rawa Singkil Wildlife Reserve, in the Singkil-Bengkung region. Three of these brands--Procter & Gamble, Mondelēz

and Nissin Foods--have been declared the worst-performing laggards in their efforts to address their impacts on the world’s last rainforests.² **A major finding of this investigation is that all ten brands that are the focus of RAN’s Keep Forest Standing campaign have failed to break their ties to illegal palm oil grown at the expense of carbon-rich peatlands inside the reserve since a similar scandal in 2019.³**

The multinational brands are:

Colgate-Palmolive
Nestlé
Ferrero
Nissin Foods
Kao

PepsiCo
Mars
Procter & Gamble
Mondelēz
Unilever

All ten of these brands are members of the Consumer Goods Forum--a 400 strong collective of multinational brands that pledged to end deforestation in their supply chains by 2020. Seven of these brands are in the Forest Positive Coalition of Action — a so-called leading initiative of consumer goods brands and retailers taking collective action to end commodity-driven deforestation. The Forest Positive Coalition is expected to issue progress reports on its efforts during Climate Week NYC.⁴ **RAN’s report is a damning testimony to the failure of the Consumer Goods Forum to end the climate chaos that results from the destruction of carbon-rich forests in the supply chains of its members in Indonesia.**

1 <https://news.mongabay.com/2015/10/carbon-emissions-from-indonesias-peat-fires-exceed-emissions-from-entire-u-s-economy/>

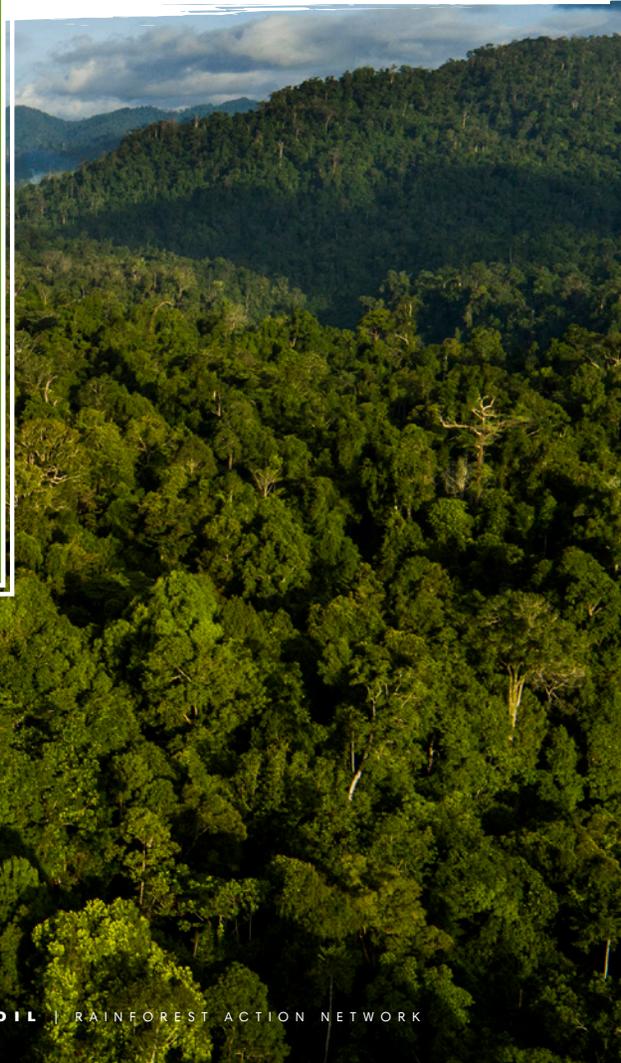
2 https://www.ran.org/wp-content/uploads/2022/06/KFS-Scorecard-Brief-2022-_WEB.pdf

3 <https://www.ran.org/leuser-watch/the-last-of-the-leuser-lowlands/>

4 <https://www.theconsumergoodsforum.com/events/forest-positive-coalition-at-climate-week-nyc-2022/>

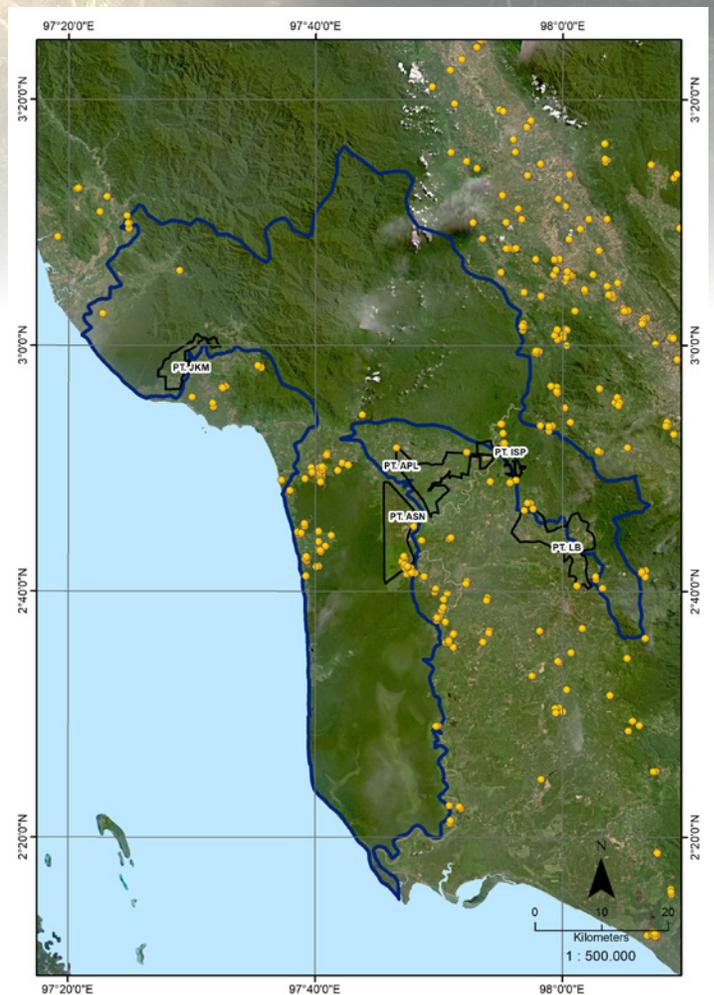


The Singkil-Bengkung region - a globally important carbon bank and hotspot for **biological diversity** is the **frontline of deforestation in Indonesia**





The Singkil-Bengkung region is one of the most critically important areas of the Leuser Ecosystem. Covering roughly 706,588 acres in the southwest corner of the Leuser, Singkil-Bengkung is a worldwide hotspot for biological diversity and one of the highest priority conservation landscapes on the planet. The region consists of the Singkil and Kluet peatlands -- ancient, deep, and carbon-rich peatlands storing immense amounts of greenhouse gasses safely and naturally underground. Its peatlands and surrounding lowland rainforests also provide critical habitat for endangered Sumatran elephants, orangutans, and tigers. The area has been called the 'orangutan capital of the world' because it is home to the densest populations of orangutans to be found anywhere. Avoiding extinction for these iconic wildlife species requires keeping the lush forests of the Leuser Ecosystem standing. Despite its conservation value and importance to local communities, its lowland rainforests and peatlands are facing a renewed onslaught of new roads, canals, and the clearance of forests for Conflict Palm Oil plantation development.



CAPTION: MAP SHOWING THE AREA KNOWN AS THE SINGKIL-BENKUNG REGION IN THE LEUSER ECOSYSTEM. THE BOUNDARY IS SHOWN IN BLUE. GOVERNMENT ALLOCATED CONCESSIONS ARE SHOWN IN BLACK. RECORDED FIRES IN JULY 2022 ARE YELLOW. SOURCE: PLANET IMAGERY.

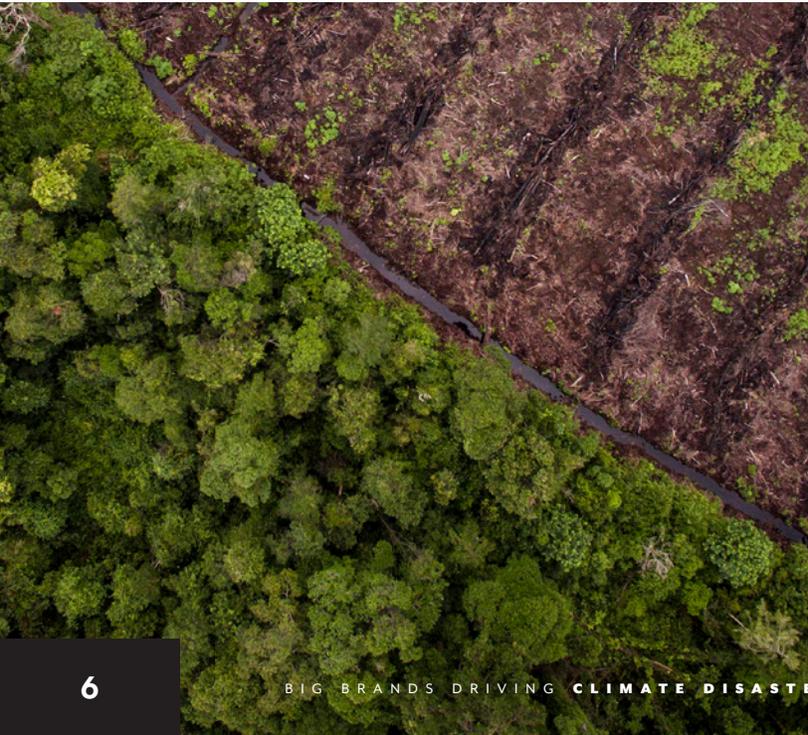


Destruction of peat forests is **on the rise** in **Rawa Singkil Wildlife Reserve**

Since 2019, RAN has monitored the expansion of palm oil into the Singkil-Bengkun region. Over that time, 8075 acres of forests have been destroyed, reducing the remaining forest cover at risk to 584,826 acres in July 2022. Over 1,124 acres of forests have been lost since the beginning of 2022. This includes the destruction of valuable peat forests that are critical in the fight against climate change. Our latest investigation focuses on two cases of Conflict Palm Oil grown illegally in the Rawa Singkil Wildlife Reserve supplying major brands. Both cases are indicative

of the disturbing new trend⁵ that as forest loss lessens within the Leuser Ecosystem’s government-issued concessions it is rising in illegal plantations that benefit local elites. These locally influential individuals wield power and have access to resources needed to establish significant palm oil plantations. Many times their power results from a position afforded to them, or their families, through their current or past work in government related institutions.

5 <https://www.ran.org/leuser-watch/in-disturbing-trend-as-forest-loss-lessens-within-the-leuser-ecosystems-government-issued-concessions-it-is-rising-outside-of-them/>





The Carbon Bomb Scandals: How brands are connected to **illegal palm oil** produced at the expense of peat forests in the **Rawa Singkil Wildlife Reserve, Indonesia.**

The evidence detailed in both of the following case studies are the product of meticulous commodity tracing from the point of production to the point of manufacturing of consumer goods products by multinational brands in the Consumer Goods Forum.

Each involved thorough field investigations combined with satellite imagery analysis and supply chain tracking from individual palm oil plantations to regional palm oil mills and onward through larger refineries and ultimately to the consumer goods manufacturing facilities that are producing the products of household name multinational brands.

Both cases demonstrate that illegally sourced palm oil, produced inside the boundaries of the federally protected Rawa Singkil Wildlife Reserve, are still being purchased and distributed to customers, even though these same brands have been aware of this scandal for many years and have publicly made commitments to eliminate Conflict Palm Oil of this sort from their supply chains.

CASE 1: ILLEGAL PALM OIL PLANTATION OWNED BY MR. MAHMUDIN IN TRUMON, SOUTH ACEH.

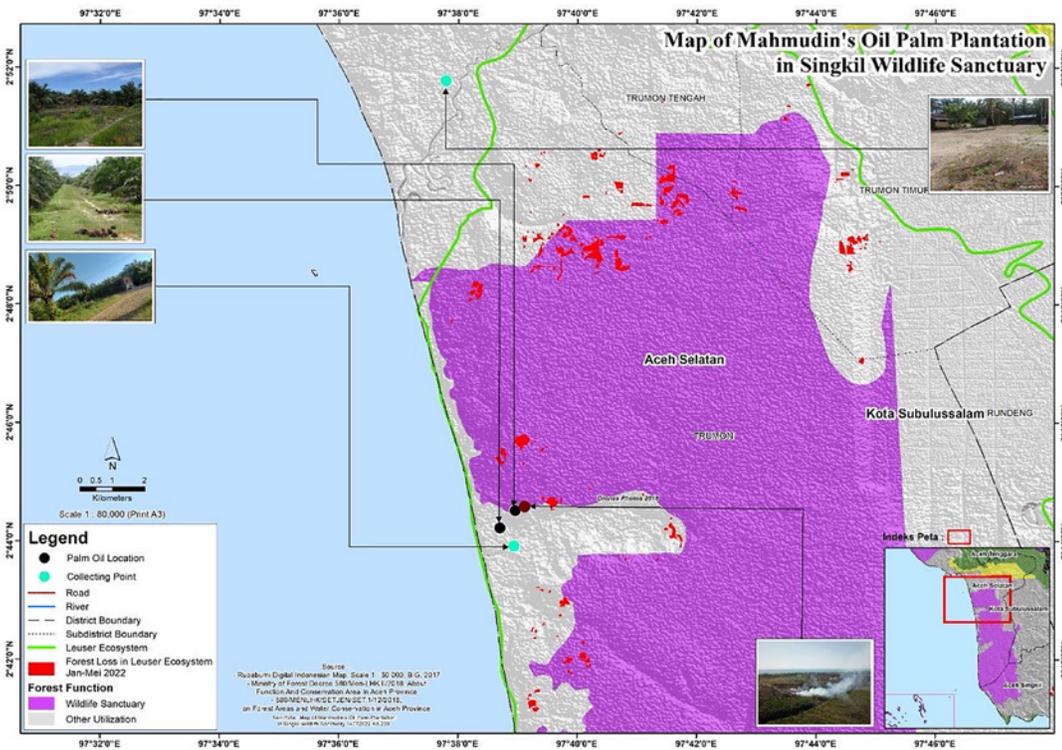
The first case is the illegal palm oil plantation controlled by Mr. Mahmudin -- a local businessman in South Aceh. He operates the illegal plantation and the facility in the village of Le Meudama where oil palm fruits are collected before being sold to surrounding palm oil mills and then on to global supply chains. Mr Mahmudin also operates a second facility which is a palm oil collection point in the Sigleng village.

This GPS location shows the plantation is located in the Rawa Singkil Wildlife Reserve -- an area afforded the highest level of protection under Indonesian law. This means the plantation has been established illegally and is operating in violation of Indonesian law. Established in 1997, by the Decree of the Minister of Forestry (No. 166/kpts-II/1997). The original reserve covered

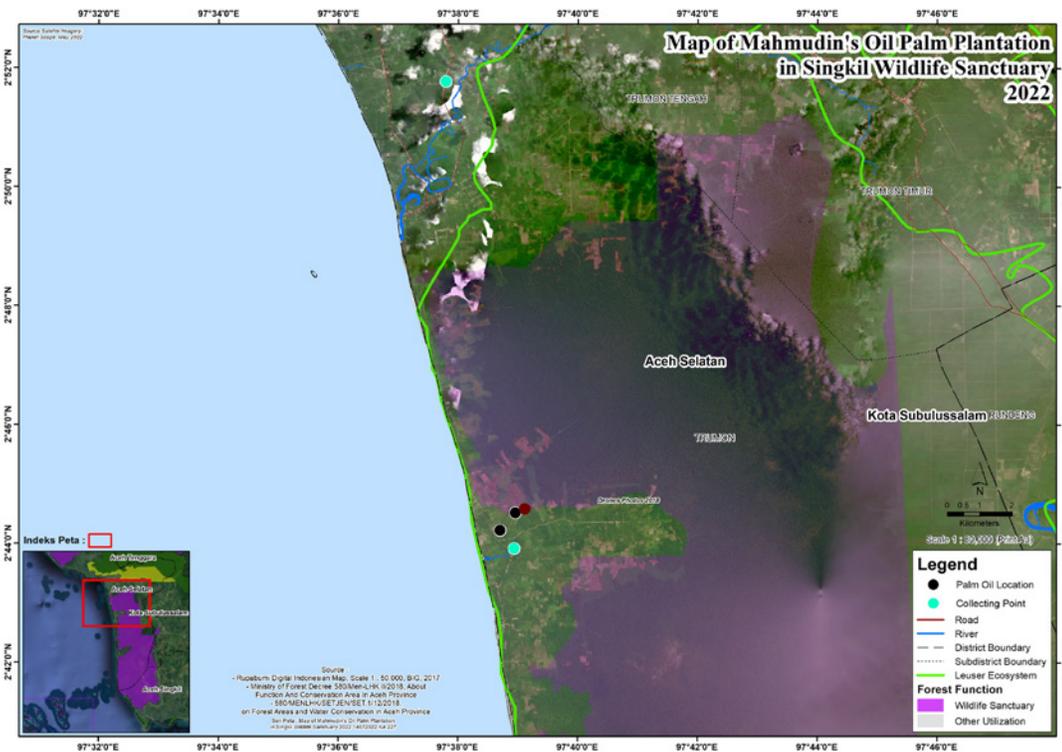
an area of 253,283 acres. Since its establishment, the boundaries of the reserve have been changed, reducing the area legally protected from palm oil development. In 2015, the Ministry of Environment and Forestry issued a decree (No. 103/MenLHK-II/2015) reducing the protected area to 200,990 acres. Many of the areas removed from the reserve were peat forests that had been destroyed to make way for palm oil plantations. In 2022, national, provincial, and district governments are once again working to demark the boundaries of the reserve. This process provides an opportunity to, once and for all, reach agreement with actors in the palm oil sector, communities with customary rights, and smallholder farmers on areas that are 'no-go zones' for palm oil development.



Entrance to illegal plantation owned by Mr. Mahmudin, Desa le Meudama Kec. Trumon Kab. Aceh Selatan. GPS coordinate 02°44'10.45" N 97°38'37.85" E.



MAP SHOWING THE LOCATION OF MR MAHMUDIN'S ILLEGAL PLANTATION INSIDE THE RAWA SINGKIL WILDLIFE RESERVE WITHIN THE LEUSER ECOSYSTEM AND THE LOCATION OF THE FACILITY WHERE THE OIL PALM FRUIT WAS COLLECTED.



SATELLITE IMAGE SHOWING THE EXTENT OF PEAT FOREST LOSS AROUND MR MAHMUDIN'S ILLEGAL PLANTATION.

Satellite analysis shows that the location of the illegal plantation was once covered in peat forests, but was cleared and the waterlogged soils drained in the last five years. Some of the worst destruction occurred in 2018 -- after the President of Indonesia announced a moratorium on forest clearing for new palm oil

plantations in April 2016. This moratorium was reinforced in November 2016 when Indonesia's Minister for Environment and Forests, Minister Siti Nurbayan said, "The President's commitment to this issue is clear. The saving of the peatlands, including those peatlands in the Leuser Ecosystem, is a non-negotiable."



Enabling oil palm expansion in the **Rawa Singkil Wildlife Reserve** is like setting off a **carbon bomb**.

ILLEGAL PALM OIL EXPANSION BY MR. MAHMUDIN WAS DOCUMENTED IN 2018. OIL PALM PRODUCED ON THESE LANDS IS NOW MAKING ITS WAY INTO THE SUPPLY CHAINS OF MAJOR BRANDS.

Mr. Mahmudin defied the government instructions. The images above and on the front cover of this report show the destruction he caused when establishing the illegal palm oil plantation. Since then, Mr. Mahmudin has not been subject to legal actions by the government and instead profits from the oil palm trees that have now become productive and are supplying to the global palm oil market. How Mr. Mahmudin has avoided legal repercussions is unclear. He must possess enough political power -- and have access to the resources needed -- to deter the government from taking legal action.

A RAN investigation was undertaken to determine which major corporations are complicit in this destruction through their purchasing of illegal palm oil from Mr. Mahmudin's plantation. **The results are damning: the supply chains of a vast network of corporations including Colgate-Palmolive, Ferrero, Mondelēz,**

Nestlé, Nissin Foods, PepsiCo, Procter & Gamble, and Unilever remain tainted with illegal palm oil. This is despite all of these corporations adopting 'Forest Positive' pledges and policies prohibiting deforestation and expansion of new plantations into peatlands in their palm oil supply chains.

The brands failure to effectively implement their policies results in dire consequences. Enabling oil palm expansion in the Rawa Singkil Wildlife Reserve is like setting off a carbon-bomb. Vast amounts of greenhouse gasses are pumped into the atmosphere as peatlands are burned to clear the land and the soil is subsequently drained of water and then used for plantation development. It is also a major blow to the survival of endangered Sumatran orangutans, elephants and tigers that depend on the vast connected forests of the Singkil-Bengkung region for their survival.

The evidence collected during RAN's investigation is detailed below.



THE ILLEGAL PLANTATION IS PRODUCING OIL PALM FRUITS THAT ARE BEING SOLD THROUGH A NETWORK OF BROKERS TO MILLS SUPPLYING MAJOR GLOBAL BRANDS. GPS COORDINATE 02°44'13.54" N 97°38'42.29" E

ACCESS ROAD INTO MR. MAHMUDIN'S ILLEGAL PLANTATION. GPS COORDINATE 02°44'52" N 97°38'96" E



ROAD BORDERING MR. MAHMUDIN'S ILLEGAL PLANTATION AND THE REMAINING FORESTS OF THE RAWA SINGKIL WILDLIFE RESERVE. GPS COORDINATE 02°44'52." N 97°38'96" E



TRUCK LOADED WITH OIL PALM FRUITS IS DOCUMENTED LEAVING MR. MAHMUDIN'S ILLEGAL PLANTATION IN THE RAWA SINGKIL WILDLIFE RESERVE.



TRUCK LOADED WITH OIL PALM FRUITS ON ITS WAY TO COLLECTION POINT. GPS COORDINATE 02°44'09.86" N 97°38'37.26" E



TRUCK LOADED WITH OIL PALM FRUITS HARVESTED AT MR. MAHMUDIN'S ILLEGAL PLANTATION ARRIVES AT A COLLECTION POINT OWNED BY MR. MAHMUDIN IN THE VILLAGE OF LE MEUDAMA. GPS COORDINATE 02°43'54.93" N 97°38'56.38" E

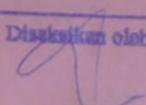
**PT. RUNDING PUTRA PERSADA
ACEH SINGKIL
SLIP TIMBANGAN - PENERIMAAN TBS**

NO SLIP TIMBANGAN : RPP/TBS/220601/025 HARI, TANGGAL : Rabu,

DATA SUPPLIER	DATA TIMBANGAN
NO. SP :	BRUTO : 26,450 kg
NAMA SUPPLIER : CV. BUANA INDAH	TARRA : 8,280 kg
JENIS BARANG : TBS	NETTO : 18,170 kg
NO. POL KEND : BL 8723 TB	POT. WAJIB : 818 Kg
JAM MASUK : 10:01:53	NETTO AKHIR : 17,552 kg
JAM KELUAR : 10:32:55	
KET :	
	TOTAL POTONGAN (3,6%) : 818 Kg



Tanggung : _____
Nama / Paraf : _____

Disetujui Oleh, 

PT. RUNDING PUTRA PERSADA

PURCHASE RECEIPT SHOWING MR. MAHMUDIN SOLD THE OIL PALM FRUITS USING THE SALES RECEIPT PROVIDED BY ANOTHER PALM OIL BROKER CALLED CV BUANA INDAH TO A MILL OPERATED BY PT RUNDING PUTRA PERSADA (PT. RPP). CV BUANA INDAH WAS EXPOSED IN 2019* FOR SELLING ILLEGAL PALM OIL TO A DIFFERENT NEARBY MILL (PT. GLOBAL SAWIT SEMESTA).

* https://www.ran.org/wp-content/uploads/2019/09/Leuser_Watch_Singkil-Bengkung_2019.pdf

NO. TIKET : PSLA522105859 PT. GLOBAL SAWIT SEMESTA

NO. SUPPLIER : TBS 0001

TIPOLOGI	BORNEO	TANGGAL	JAM	BEAS	BEAS NETTO	NETTO
MASUK	221017004		13:04:25	13,840 KG	8,990 KG	270 KG
KELUAR	221018007		15:13:15	4,850 KG		8,720 KG

DARI SUPPLIER : CV. NATAMA PRIMA (GSM) ID : A334

STABILISASI : JUMLAH JANGKANG : 3,00 SORTASIS : 17,00 KG

PEMBELI TBS : PT. GLOBAL SAWIT SEMESTA
 PENJABATAN : PENJABATAN TBS LINDA
 NO. SP : 000
 NO. PENGEMASAN : 0000000
 NAMA SUPPLI : MANDU
 NO. SIK : 000

PENERIMAAN BIJIAN

DISIPEMBA : _____ OPERATOR : _____

PURCHASE RECEIPT SHOWING MR. MAHMUDIN SOLD THE OIL PALM FRUITS TO ANOTHER PALM OIL BROKER CALLED CV NATAMA PRIMA WHICH SUPPLIES A MILL OPERATED BY PT. GLOBAL SAWIT SEMESTA. PT. GLOBAL SAWIT SEMESTA WAS EXPOSED IN 2019* FOR SOURCING ILLEGAL PALM OIL FROM ANOTHER ILLEGAL PLANTATION.

* https://www.ran.org/wp-content/uploads/2019/09/Leuser_Watch_Singkil-Bengkung_0_2019.pdf

BRANDS CONNECTED TO **ILLEGAL PALM OIL**

Colgate-Palmolive, Ferrero, Mondelēz, Nestlé, PepsiCo, Procter and Gamble and Unilever are all sourcing from one, or both, the mills exposed for sourcing illegal palm oil from Mr. Mahmudin's plantation inside the Rawa Singkil Wildlife Reserve.

Table 1: Brands' exposure to each Conflict Palm Oil mill shown to accept illegal palm oil from Mr Mahmudin.

BRAND NAME WITH LINK TO PUBLISHED MILL LISTS	SOURCES FROM PT. RUNDING PUTRA PERSADA	SOURCES FROM PT. GLOBAL SAWIT SEMESTA
Colgate-Palmolive ⁶	Yes	Yes
Ferrero ⁷	Yes in acquired businesses in US	No
Mondelēz ⁸	Yes	Yes
Nestlé ⁹	Yes	Yes
PepsiCo ¹⁰	Yes	Yes
Procter & Gamble ¹¹	Yes	Yes
Unilever ¹²	Yes	No, listed on its suspended supplier list. ¹³

These brands are sourcing illegal palm oil grown in the Rawa Singkil Wildlife Reserve via a vast network of palm oil traders. These traders control the palm oil refineries where palm oil is processed in various ways so that it then may be used to make snack foods, personal care products, instant noodles and other consumer goods products.

6 https://www.colgatepalmolive.com/content/dam/cp-sites/corporate/corporate/en_us/corp/locale-assets/pdf/colgate-palmolive-company-H1-2021-mill-list-suppliers.pdf
7 https://www.ferrerosustainability.com/int/sites/ferrerosustainability_int/files/2021-12/palm-oil-suppliers-mill-list_jan-jun2021.pdf
8 https://www.mondelezinternational.com/-/media/Mondelez/Snacking-Made-Right/ESG-Topics/Palm-Oil/Mills_Data2125.pdf
9 <https://www.nestle.com/sites/default/files/2019-08/supply-chain-disclosure-palm-oil.pdf>
10 https://www.pepsico.com/docs/default-source/policies/pepsico-mill-list-2020.pdf?sfvrsn=69c56b73_3
11 https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG-Palm-Oils-Mill-List-FINAL.pdf
12 https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG-Palm-Oils-Mill-List-FINAL.pdf
13 <https://www.unilever.com/files/origin/90830e5092ce393caff8582ddc3d8c98b68c5295.pdf/unilevers-suspended-palm-oil-suppliers-and-growers-with-mill-list-updated-june-2021.pdf>

The biggest culprits amongst these traders are Apical of the Royal Golden Eagle Group, Golden Agri Resources, Wilmar and Musim Mas. These companies control the refineries that are located in Sumatra and are purchasing the crude palm oil from the mills that accept illegal palm oil from Mr. Mahmudin. These palm oil traders have been repeatedly exposed¹⁴ over the past decade for their role in driving the destruction of the Leuser Ecosystem for palm oil. Yet little has been done to stop them. This demonstrates the total failure of the systems the brands and traders have in place to address ongoing deforestation and peatland development in their supply chains.¹⁵

14 [https://www.ran.org/wp-content/uploads/2018/06/2_RAN_Protecting_The_Leuser_2016_\(2\).pdf](https://www.ran.org/wp-content/uploads/2018/06/2_RAN_Protecting_The_Leuser_2016_(2).pdf)
15 Cases published on [www.Leuser Watch.org](http://www.Leuser-Watch.org)

Mars sourced from problematic mills and producers in the Singkil-Bengkung region until recently when it simplified its palm oil supply chain. Mars' published supplier list shows it continues to do business with Tier 1 suppliers, such as Fuji Oils, AAK, Bunge Loders Croklaan and Cargill, that persist in sourcing from these controversial mills and supplying illegal palm oil to the global market¹⁶.

Kao's mill list claims that PT. Global Sawit Semesta is not a supplier, but its joint venture partner Apical continues sourcing from the mill despite its failure to implement adequate systems to stop illegally produced palm oil entering its mill. Kao remains at risk of sourcing illegal palm oil from the Singkil Bengkulu region¹⁷.

16 <https://gateway.mars.com/m/351a264343c74b11/original/Mars-T1-Palm-Oil-Suppliers-2020.pdf>
17 <https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/progress-2020-001.pdf>

Table 2: Palm oil traders/processors that have supply chains tainted with illegal palm oil from Mr Mahmudin.

TRADER/PROCESSOR NAME WITH LINK TO REFERENCE MILL LISTS	SOURCES FROM PT. RUNDING PUTRA PERSADA (PT. RPP)	SOURCES FROM PT. GLOBAL SAWIT SEMESTA
Apical (Royal Golden Eagle Group)¹⁸	No*	Yes, is sourcing directly from mill.
Musim Mas¹⁹	Yes, is sourcing directly from mill.	Yes, is sourcing directly from mill.
Golden Agri Resources (Sinar Mas Group)²⁰	Yes, is sourcing directly from mill.	No*
Wilmar²¹ <i>Colgate-palmolive, Mondelēz and Nestlé mill lists show it is sourcing from all three mills in refineries in other regions.</i>	Yes, is sourcing directly from mill via Kuala Tanjung refinery and Wilmar South Africa and Delta.	Yes, via Wilmar South Africa.
Sime Darby²²	Yes, is sourcing directly from mill.	No
Cargill²³ <i>Colgate-palmolive, Mondelēz and Nestlé mill lists show sourcing in U.S.</i>	Yes, is sourcing from mill indirectly, including in U.S	Not listed in Cargill's most recent mill list but is listed as a supplier via its grievance list ²⁴ and is listed as a supplier to Cargill U.S in brand mill lists.
Fuji Oils²⁵ <i>Mondelēz and Nestlé mill lists show sourcing in Japan and U.S</i>	Yes, is sourcing from mill via Fuji Oils Japan & Fuji vegetable oils	Yes, is sourcing from mill via Fuji Oils Japan & Fuji vegetable oils
Bunge Loders Croklaan²⁶ <i>Mondelēz and Nestlé's mill lists show sourcing.</i>	Yes, is sourcing from mill indirectly.	Yes, is sourcing from mill indirectly.
Olam²⁷ <i>Mondelēz mill list shows sourcing.</i>	Yes, is sourcing from mill indirectly.	Yes, is sourcing from mill indirectly.
AAK²⁸ is sourcing from mills indirectly. <i>Mondelēz mill list shows sourcing.</i>	Yes, is sourcing from mill indirectly.	Yes, is sourcing from mill indirectly.

*NO IS REFERRING TO THE MILLS NOT BEING LISTED ON THE TRADERS PUBLISHED MILL LISTS. THESE CLAIMS HAVE NOT BEEN INDEPENDENTLY VERIFIED AND GIVEN THE LACK OF TRACEABILITY SYSTEMS IN THE MILLS INVESTIGATED THEY MAY BE INACCURATE.

Other processors are exposed to sourcing from the mills including Poliva, The Three, Ventura Foods, Allana, Gemini edibles & fats.

RAN is calling on these brands to immediately stop sourcing from both Mr. Mahmudin's illegal plantation in the Rawa Singkil Wildlife Reserve and the mills and refineries shown to be sourcing this illegal palm oil. The brands must also establish

collaborative forest and peatland monitoring and response systems that can be used to enforce their policies throughout their supply chains to the forest floor in the Leuser Ecosystem and invest in long-term solutions that support the protection and restoration of the Singkil-Bengkung region and the Rawa Singkil Wildlife Reserve.

18 https://www.apicalgroup.com/wp-content/uploads/2021/09/TDD-SDS-Q1_2022.pdf

19 <https://www.musimmas.com/sustainability/traceability/>

20 <https://www.goldenagri.com.sg/sustainability/responsible-sourcing/supply-chain-map/>

21 https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/supply-chain/wilmar-operations-in-indonesia-and-malaysia.pdf?sfvrsn=9b1175a9_2

22 <https://smart.simedarbyplantation.com/gisportal/apps/webappviewer/index.html?id=36e336808bb24fe6981847e4ddfec94>

23 <https://www.cargill.com/doc/1432132443976/cargill-palm-mill-list.pdf>

24 <https://www.cargill.com/sustainability/palm-oil/managing-grievances>

25 https://www.fujiioilholdings.com/pdf/en/sustainability/supplychain_database/h2_2021_mill_list.pdf

26 https://www.fujiioilholdings.com/pdf/en/sustainability/supplychain_database/h2_2021_mill_list.pdf

27 <https://www.olamgroup.com/content/dam/olamgroup/products/food-staples/edible-oils/edible-oils/content/dam/olamgroup/products/food-staples/edible-oils/edible-oils-pdfs/2019-q1-q2-mill-list-aug-2019.pdf>

28 <https://www.aak.com/siteassets/sustainability/aak-public-mill-list-september-2021.pdf>

CASE 2: ILLEGAL PALM OIL PLANTATIONS OWNED BY IBU NASTI IN RUNDING, SUBULUSSALAM.

The second case is an illegal palm oil plantation controlled by Ibu Nasti -- a local businesswoman in the village of Binanga, in the district of Subulussalam, Aceh. She operates an illegal plantation covering 27 acres in the Rawa Singkil Wildlife Reserve. The investigations found that oil palm fruits grown in Ibu Nasti's illegal plantations were collected and transported by a broker named Alpian to the mill where it was processed by PT. Bangun Sempurna Lestari. PT. Bangun Sempurna Lestari then sold the crude palm oil

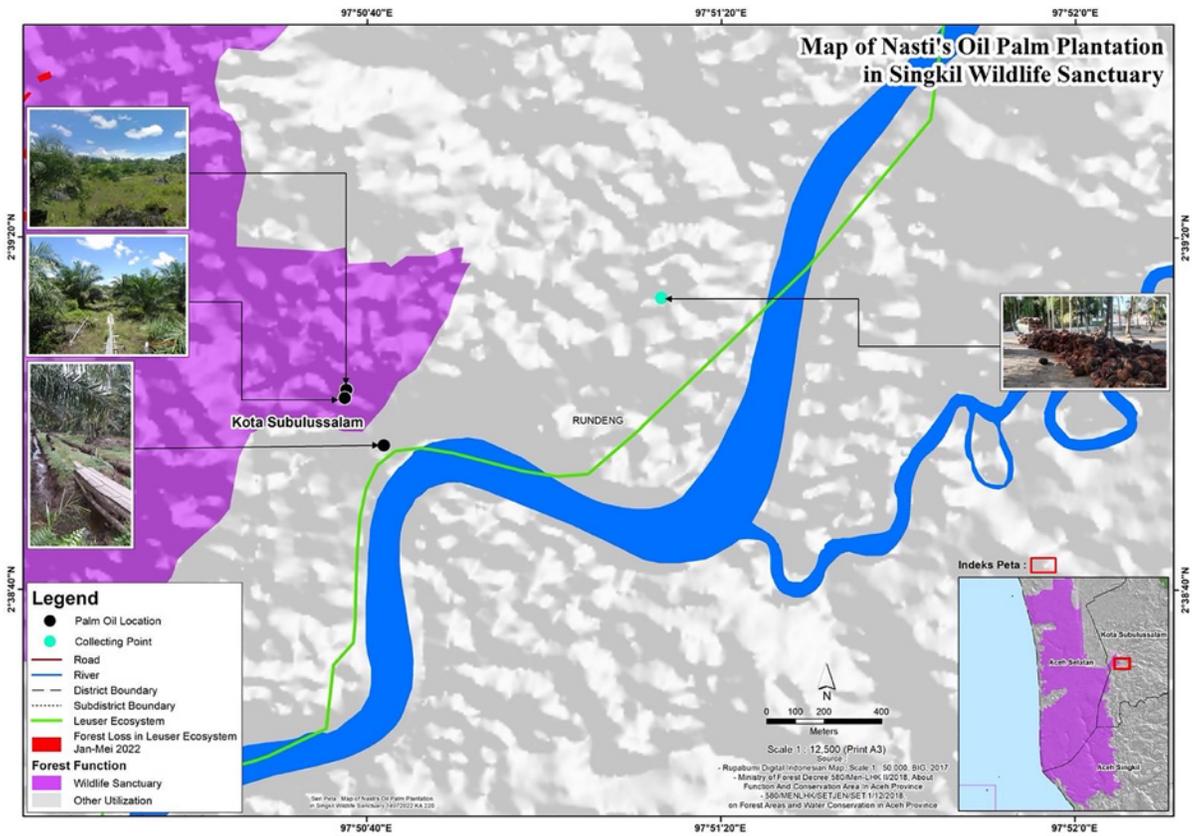
to Musim Mas -- one of the major refinery operators at the port of Belawan, in North Sumatra. Musim Mas is a major supplier to brands via its own trading arm ICOF and to other traders with facilities that access the world, including the US, Europe, Japan, and China. The PT. Bangun Sempurna Lestari mill is a supplier to major brands including Procter & Gamble, Mondelēz, Nissin Foods, Nestlé, PepsiCo, and Unilever.

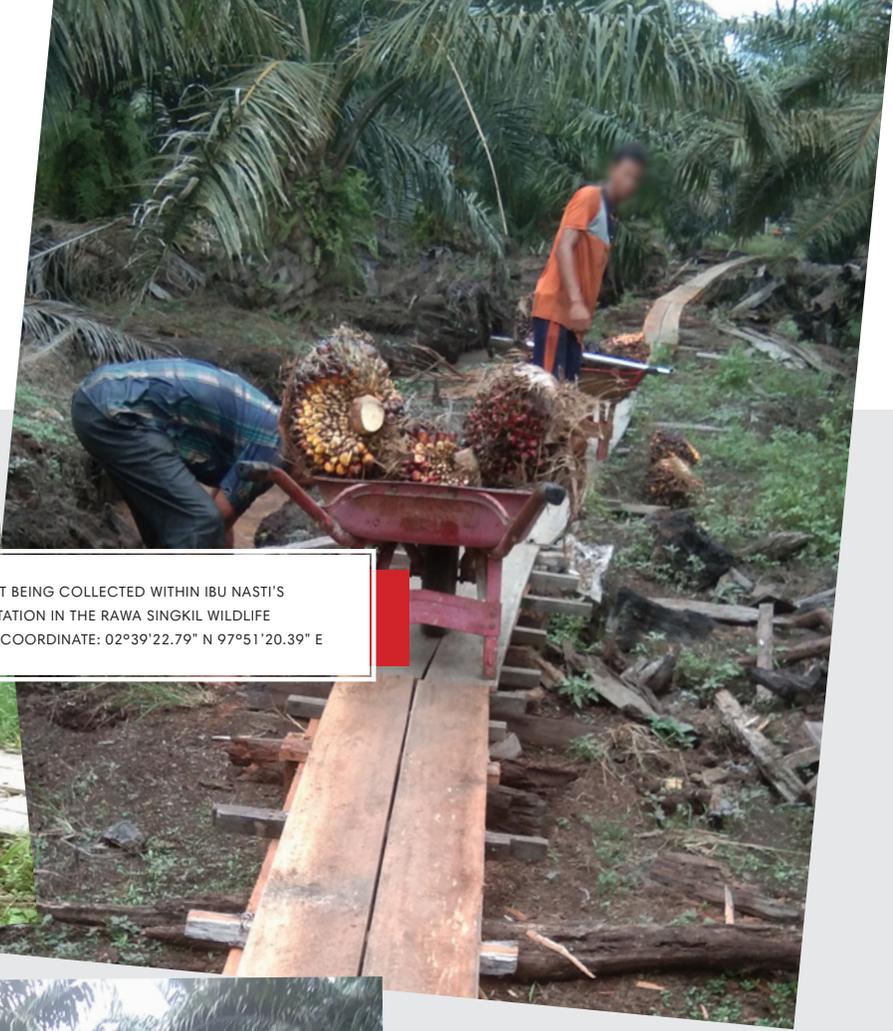


IBU NASTI'S ILLEGAL PLANTATION INSIDE RAWA SINGKIL WILDLIFE RESERVE, BINANGA VILLAGE, RUNDENG, SUBULUSSALAM GPS 02°39'02.71"N 97°50'37.77"E



IBU NASTI'S ILLEGAL PLANTATION INSIDE RAWA SINGKIL WILDLIFE RESERVE. GPS COORDINATE 02°39'01.78" N 97°50'37.57" E





PALM OIL FRUIT BEING COLLECTED WITHIN IBU NASTI'S ILLEGAL PLANTATION IN THE RAWA SINGKIL WILDLIFE RESERVE. GPS COORDINATE: 02°39'22.79" N 97°51'20.39" E



DRAINAGE CANALS INSIDE IBU NASTI'S ILLEGAL PLANTATION IN THE RAWA SINGKIL WILDLIFE RESERVE. GPS COORDINATE 02°39'22.79" N 97°51'20.39" E



PALM OIL FRUITS FROM IBU NASTI'S ILLEGAL PLANTATION READY FOR COLLECTION. GPS COORDINATES 02°39'22.79" N 97°51'20.39" E:



PALM OIL FRUITS FROM IBU NASTI'S ILLEGAL PLANTATION BEING LOADED ONTO A TRUCK WITH REGISTRATION BL 8141. GPS COORDINATES 02°38'13.31" N 97°50'36.32" E

A TRUCK WITH REGISTRATION BL 8141 THAT IS CARRYING THE PALM OIL FRUITS IS FOLLOWED FROM IBU NASTI'S ILLEGAL PLANTATION TO A COLLECTION FACILITY IN RUNDENG VILLAGE, SUBULUSSALAM. GPS COORDINATES 02°39'20.96" N 97°51'34.79" E





THE PALM OIL FRUITS COLLECTED FROM IBU NASTI'S ILLEGAL PLANTATION REMAIN IN THE TRUCK WITH REGISTRATION BL 8141 WAITING TO BE COLLECTED. THIS FACILITY IS CONTROLLED BY A BROKER NAMED ALPIAN. GPS COORDINATES: 02°39'13.17" N 97°51'13.31" E



PALM OIL FRUITS WAIT TO BE COLLECTED AT A FACILITY OF THE PALM OIL BROKER NAMED ALPIAN. GPS COORDINATES: 02°39'13.17" N 97°51'13.31" E



YELLOW TRUCK ARRIVES AT ALPIAN'S FACILITY TO COLLECT PALM OIL FRUITS. GPS COORDINATES 02°39'18.88" N 97°51'34.38" E

YELLOW TRUCK HAS LEFT APLIAN'S FACILITY AND IS ON ITS WAY TO DELIVER PALM OIL FRUITS TO A PROCESSING MILL.



YELLOW TRUCK DELIVERS PALM OIL FRUITS TO A PROCESSING MILL CALLED PT. BANGUN SEMPURNA LESTARI (BSL) IN THE VILLAGE OF BULUH DORI IN SUBULUSSALAM. GPS COORDINATE: 02°38'04.63" N 97°56'49.21" E

THE RECEIPT SHOWING THE OIL PALM FRUITS WERE TRANSPORTED FROM APLIAN'S FACILITY TO THE PT. BANGUN SEMPURNA LESTARI MILL.

PT. Bangun Sempurna Lestari

Tgl. Jam Masuk : 28
Tgl. Jam Keluar : / /

No. Kendaraan : BB 8278 YA
Nama Customer : U2S
Nama Barang : TBS
Nama Supir : APLIAN
No. Referensi : APLIAN

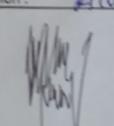
Berat Bruto : 10.280 KG
Berat Tarra : 3.010 KG
Berat Netto : 7.270 KG

Dikirim :
(KIRILIA B)

PT. BSL-7270

AN MASUK

BP No : Tgl :
Operator : Alplan

				Jam	Berat (Kg)
					10280
					3010
					7270
Cincang	Air/Basah	Sampah	Wajib		
		150	130		280
					6990
Kumidal : 100				Sortir oleh : Error	
Tandan Kembali					
				 Manager / Kepala Produksi	
				Bagian Penerimaan	

TANGGAL : 28 /
No. Seri : /

BUKTI TIMBANGAN MASUK

Asal TBS :	Kus		BP No :			Tgl :		
Pengangkutan Truck No :	BB 8270 YA		Operator :	Alpian				
Hasil Timbangan	Tanggal		Jam		Berat (Kg)			
Timbangan Pertama	28 /				10280 /			
Timbangan Kedua					3010 /			
NETTO					7270 /			
Sortasi	Mentah	B. Busuk	Cengkeh	Cincang	Air/Basah	Sampah	Wajib	
Potongan	JJG					150	130	280 /
Potongan setelah sortasi	Kg							
Tandan	Jumlah	510	Tandan	Kumidal	1400	Sortir oleh : 6990 /		
eterangan :	TBS Bagus 14		Tandan Kembali					
(Alpian)	()		()		()			
Pengemudi	Pelugas Timbangan		Bagian Penerimaan		Manager / Kepala Produksi			

THE RECEIPT SHOWING THE OIL PALM FRUITS WERE PURCHASED OFF ALPIAN BY THE PT. BANGUN SEMPURNA LESTARI MILL.



A CRUDE PALM OIL TRUCK TRANSPORTS OIL FROM PT. BANGUN SEMPURNA LESTARI'S MILL TO A REFINERY OPERATED BY MUSIM MAS AT THE PORT OF BELAWAN, IN NORTH SUMATRA. GPS COORDINATE: 02°38'06.09" N 97°56'47.35" E

A RECEIPT SHOWING THE CRUDE PALM OIL WAS PURCHASED OFF THE PT. BANGUN SEMPURNA LESTARI MILL BY PT. MUSIM MAS IN BELAWAN.

PT. BANGUNSEMPURNA LESTARI
PABRIK KELAPA SAWIT
Desa Sikalondang, Kecamatan Simpang Kiri
Kota Subulussalam.

SURAT PENGANTAR

Kepada Yth. PT. MUSIM MAS / DI BELAWAN

Nomor : _____
Tanggal : _____

Dengan ini kami kirimkan 1 (satu) Truck CPO BK / BL BK 8539 BG dalam keadaan baik dan cukup. Setelah ditandatangani mohon kembalian salinan Surat Pengantar ini kepada kami.

KETERANGAN	PKS	PIHAK PENERIMA
No. KONTRAK	NO.0769 /KJB/MM-BSL / V /2022	
No. SLIP TIMBANGAN		
BERAT KOTOR	36,900 / KG	KG
TARRA	11,610 / KG	KG
BERSIH	25,290 / KG	KG
KADAR KOTORAN FFA	3.50 / %	%
KADAR AIR	0.32 / %	%
No. STNK	BK 8539 BG	TANDA TERIMA
PENGANGKUTAN	GAJAH MADA	
No. D/O	006 /BSL-DO / V /2022	
NAMA SUPIR	BANTU SINAGA	
No. KARTU PENGENAL / No. SIM	07188406000202	
JAM MASUK	13.40	
JAM KELUAR	15.19	No. Locis=0013620-0013624/5

Catatan : Apabila terdapat kelalaian pada segel dan/atau perbedaan yang menyolok alas hasil timbangan, harap hubungi kami secepatnya 5 buah Locis spiral label BSL

M. CANDRA GINTING SE



BRANDS CONNECTED TO ILLEGAL PALM OIL

Procter & Gamble, Mondelēz, Nestlé, PepsiCo, Nissin Foods, and Unilever are all sourcing from PT. Bangun Sempurna Lestari -- the mill exposed for sourcing illegal palm oil from Ibu Nasti's plantation inside the Rawa Singkil Wildlife Reserve. Table one below details their exposure.

These brands are sourcing illegal palm oil grown in Ibu Nasti's plantation in the Rawa Singkil Wildlife Reserve via well known palm oil traders that control the refineries -- traders including Musim Mas, Cargill, AAK, Bunge Lodars Crokkaan, and Fuji Oils. These refineries are used to process the palm oil into palm oil products, which are in turn used to make snack foods, personal care products, instant noodles and other consumer goods products. These palm oil traders have been [repeatedly exposed](#)²⁹ over the past decade for their role in driving the destruction of the Leuser Ecosystem for palm oil. Yet little has been done to stop them. This demonstrates the total failure of the systems the brands have in place to address ongoing deforestation and peatland development in their supply chains. To date, Musim Mas is the only trader that has published a [roadmap](#)³⁰ to achieve the full implementation of its No Deforestation, No Peatland and No Exploitation policy in the Leuser Ecosystem in Aceh. This case shows the urgent need for Musim Mas to scale up its implementation of this roadmap as the company is clearly still exposed to illegal palm oil.

29 [https://www.ran.org/wp-content/uploads/2018/06/2_RAN_Protecting_The_Leuser_2016_2\).pdf](https://www.ran.org/wp-content/uploads/2018/06/2_RAN_Protecting_The_Leuser_2016_2).pdf). Cases published on www.LeuserWatch.org

30 <https://www.musimmas.com/musim-mas-launches-a-five-year-ndpe-roadmap-for-aceh/>

Table 3: Brands exposure to sourcing from PT. Bangun Sempurna Lestari which accepted illegal palm oil from Ibu Nasti.

BRAND NAME WITH LINK TO PUBLISHED MILL LISTS	SOURCES FROM PT. BANGUN SEMPURNA LESTARI	SUPPLIER OF PALM OIL FROM PT BANGUN SEMPURNA LESTARI
Mondelez³¹	Yes	Sourcing via Bunge Loders Croklaan
Nestlé³²	Yes	Sourcing via Fuji Oils Japan and Global, Bunge Loders Croklaan, AAK, Ventura Foods, The Three, Cargill USA.
Nissin Foods³³	Yes	Not disclosed.
PepsiCo³⁴	Yes	Not disclosed.
Procter & Gamble³⁵	Yes	Not disclosed.
Unilever³⁶	Yes	Not disclosed.

Table 4: Palm oil traders/processors that have supply chains tainted with illegal palm oil from Ibu Nasti

TRADER/PROCESSOR NAME WITH LINK TO REFERENCE MILL LISTS	SOURCES FROM PT. BANGUN SEMPURNA LESTARI
Musim Mas³⁷	Yes, is sourcing directly from PT. BSL.
Wilmar³⁸	Yes is sourcing directly from PT. BSL.
Cargill³⁹	Yes, is sourcing from PT. BSL indirectly. Nestlé mill lists show sourcing in U.S.
Fuji Oils⁴⁰	Yes, is sourcing from PT. BSL indirectly. Nestlé mill lists show sourcing in Japan.
Bunge Loders Croklaan⁴¹	Yes, is sourcing from PT. BSL indirectly.
Olam⁴²	Olam was sourcing from PT. BSL indirectly in its last published mill list (2019). PT. BSL was listed as a supplier to Olam in 2018 via GAR. GAR is no longer reporting PT. BSL as a supplier.
AAK⁴³	Yes, is sourcing from PT. BSL indirectly.

31 https://www.mondelezinternational.com/-/media/Mondelez/Snacking-Made-Right/ESG-Topics/Palm-Oil/Mills_Data2125.pdf

32 <https://www.nestle.com/sites/default/files/2019-08/supply-chain-disclosure-palm-oil.pdf>

33 https://www.nissin.com/jp/sustainability/environment/business/procurement/pdf/PalmOilMills_2021.pdf

34 https://www.pepsico.com/docs/default-source/policies/pepsico-mill-list-2020.pdf?sfvrsn=69c56b73_3

35 https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG-Palm-Oils-Mill-List-FINAL.pdf

36 https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG-Palm-Oils-Mill-List-FINAL.pdf

37 <https://www.musimmas.com/sustainability/traceability/>

38 https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/supply-chain/wilmar-operations-in-indonesia-and-malaysia.pdf?sfvrsn=9b1175a9_2

39 <https://www.cargill.com/doc/1432132443976/cargill-palm-mill-list.pdf>

40 https://www.fujioilholdings.com/pdf/en/sustainability/supplychain_database/h2_2021_mill_list.pdf

41 <https://europe.bungeloders.com/en/material/palm-oil-dashboard-2021-full-year>

42 <https://www.olamgroup.com/content/dam/olamgroup/products/food-staples/edible-oils/edible-oils-pdfs/2019-q1-q2-mill-list-aug-2019.pdf>

43 <https://www.aak.com/siteassets/sustainability/aak-public-mill-list-september-2021.pdf>



How Procter & Gamble's products in the U.S. are connected to the destruction of the Leuser Ecosystem

A portion of the total amount of palm oil used by P&G in the U.S. is purchased directly by P&G and is imported directly from a number of palm oil traders and processors: Royal Golden Eagle Group, Musim Mas, Wilmar International, Sinar Mas Group and Permata Hijau Group. Four of these five companies have been shown in Table two and Table four to source from the mills accepting illegal palm oil grown in the Rawa Singkil Wildlife Reserve.

Most of these traders have refineries located in the port of Belawan Sumatra, which is located in the province of North Sumatra. It is one of the largest ports in Indonesia where crude palm oil and palm kernel oil is collected from palm oil mills and processed in refineries before being loaded onto large tankers and ships and transported to over 110 countries across the world.

One of the clearest examples is Procter & Gamble sourcing of palm oil from the Royal Golden Eagle Group's palm oil subsidiaries to manufacture its products sold across the globe. P&G's published palm oil mill list⁴⁴ shows that it has sourced palm oil from at least 13 known subsidiaries of the RGE group via its direct suppliers.

P&G also sources from RGE⁴⁵ directly via AAA Oils and Fats Pte Ltd (AAAF), a trading subsidiary of Apical -- one of the companies listed above that has been shown to source⁴⁶ from the mills accepting illegal palm oil grown in the Rawa Singkil Wildlife Reserve. The palm oil sourced from RGE may be used for the

manufacture of P&G products that contain palm oil, such as Ivory, Safeguard and Old Spice branded products.

U.S. vessel manifest import data shows that P&G has directly purchased palm kernel oil from RGE in the US since 2016. Indonesian customs data shows that in the year 2021 alone, P&G sourced 10,000 tonnes of palm kernel oil from RGE. 7000 tonnes of this palm kernel oil was exported from Indonesia on ships that were loaded with palm oil in the port in Dumai, Sumatra. In 2020, P&G purchased over 17,000 tonnes from RGE. Apical has a palm oil refinery called PT. Sari Dumai Sejati and other export facilities in Sumatra that use the port of Dumai to export its palm oil products across the world.

All these shipments of palm kernel oil were received in the port of San Francisco before being transported to Procter & Gamble's U.S. facility at 5299 Spring Grove Ave, Cincinnati, Ohio. RAN and allies have been running a pressure campaign on P&G for months, trying to get the company to take responsibility for its supply chain. Most recently, a high-profile action⁴⁷ staged outside the company's headquarters resulted in the arrest of four activists.

These case studies show that Procter & Gamble has failed to take the actions demanded by its investors to scale up actions taken to address its role in driving deforestation and the destruction of some of the planet's most valuable intact forests in Indonesia.

44 https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG-Palm-Oils-Mill-List-FINAL.pdf

45 https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG_ESG_Tier_1_Palm_Oils_Supplier_List_FINAL.pdf

46 <https://www.apicalgroup.com/our-business/#our-supply-chain>

47 <https://www.ran.org/press-releases/breaking-elaborate-protest-at-pg-cincinnati-headquarters-calls-out-company-for-connections-to-climate-crisis-deforestation-and-human-rights-abuses/>

CONCLUSION



RAN is calling on these multinational brands to immediately stop sourcing from Mr. Mahmudin & Ibu Nasti's illegal plantations in the Rawa Singkil Wildlife Reserve and the mills and refineries shown in our investigation to be sourcing illegal palm oil.

Brands like Procter & Gamble, Mondelēz and Nissin Foods must immediately take action to halt business-as-usual practices with their suppliers and not resume sourcing until transparent and verifiable monitoring, traceability and compliance systems are in place to protect the lowland rainforests and peatlands of the Singkil-Bengkung region from further destruction.

The Singkil-Bengkung rainforest in the Leuser Ecosystem presents an increasingly rare opportunity, because it is still not too late to achieve top priority carbon sequestration and conservation goals, for Indonesia and the world, but that window of opportunity is *now*. The high stakes for local communities, threatened wildlife and the global climate demand a thoughtful, coordinated, solution-oriented approach by all parties to achieve long term conservation goals and sustainable economic prosperity. The global market now demands palm oil that is free of deforestation, peatland development, and exploitation of communities and workers, especially in global biodiversity hotspots like the Leuser Ecosystem. Urgent action is needed to reverse the decade-long trend of deforestation, draining and burning of the Singkil-Bengkung peatlands; to minimize flooding events along the once stable and meandering Alas River and Bengkung rivers; and to address the economic impoverishment that drives wildlife poaching, illegal logging and land clearing.

Global brands -- and therefore their customers -- remain exposed to illegal sources of Conflict Palm Oil. This problem continues due to a lack of investment in traceability and compliance systems, low palm oil prices, competition for higher-quality oil palm fruit amongst a network of underperforming mills, and an absence of capacity building in best agricultural practices. There is an opportunity to diversify economies and drive investments in low-carbon, community-led, small-scale agriculture that respect the rights of communities and smallholder farmers to manage their lands, improve livelihoods, and enable the long-term protection and management of peatlands and lowland rainforests critical for the survival of the Sumatran orangutans, tigers, rhinos and elephants.

Governments and communities, together with the brands and palm oil companies responsible for the impacts of the profit-driven plantation agriculture model, can invest in lasting solutions. Collaborative forest and peatland monitoring and response systems must be established that can enforce their policies throughout supply chains all the way to the forest floor in the Leuser Ecosystem. Investments must also be made in long-term solutions that support the protection and restoration of the Singkil-Bengkung region and the Rawa Singkil Wildlife Reserve. The harm caused to the environment and communities whose customary rights have not been recognized must be addressed. Much-needed improvements to the palm oil industry, which is relied upon by tens of thousands of smallholder farmers, must be delivered. Together, stakeholders must develop a common and just vision to halt the destruction of the Singkil-Bengkung region.



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