

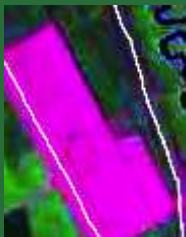
WILMAR continues to engage with third party suppliers that clear orangutan habitat, forested deep peatlands and high carbon stock forests



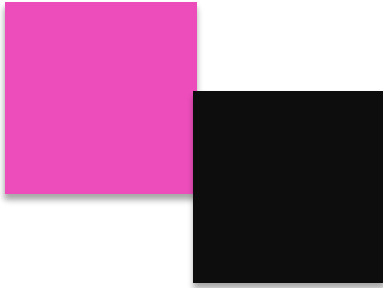
Has Wilmar's no deforestation policy had any effect in protecting orangutan habitat, peatlands and high carbon stock forests?



Is Wilmar's policy of "no more clearing of forests that are habitat for endangered species, such as orangutans" not yet being applied?



Were the practices of Wilmar's third party suppliers taken into consideration during the months of discussions between TFT, Climate Advisers, Unilever and Wilmar prior to the announcement of the policy?



Background

This report is the fourth to be produced by Greenomics Indonesia based on the results of its monitoring of the implementation of Wilmar's "No Deforestation, No Peat and No Exploitation Policy," which was announced with much fanfare on 5 December 2013. The three earlier reports revealed that the Wilmar policy has had no effect on its third party suppliers, which continue to clear high carbon stock (HCS) forests.

As for Wilmar itself, it continues to engage with such third party suppliers by purchasing palm oil products, such as CPO, from them. Thus, we believe that the lack of clarity over the timeline for the application of the Wilmar policy may be deliberate.

The Wilmar policy is stated to be the "product of months of discussions between the TFT, Climate Advisers, Wilmar and Unilever." One would expect that those who know the precise details of the timeline would explain to the public when the Wilmar policy is to be fully implemented.

One of the important questions that they need to answer is whether the clearance of HCS forests and forested deep peatlands by Wilmar's third party suppliers between 5 December 2013 and 31 December 2015 may be categorized as a violation of the Wilmar policy or not? TFT, Climate Advisers, Wilmar and Unilever are the ones who know and are best able to answer this question.

The question is highly pertinent as, based on the observations conducted by Greenomics Indonesia, Wilmar's suppliers are operating as usual and appear to be unaffected as yet by the Wilmar policy. As for Wilmar itself, it continues to buy palm oil products from suppliers that persist in blanket clearing HCS forests and forested deep peatlands.

This report reveals that two third-party suppliers have been indisputably involved in clearing forested deep peatlands and HCS forest subsequent to the announcement of Wilmar's No Deforestation policy.

The findings of the report make it imperative that the timeline for application needs to be clarified by TFT, Climate Advisers, Wilmar and Unilever. Such an explanation is essential considering that the PR hype surrounding the Wilmar policy does not reflect the impact of the policy at the implementation level.

To date, the Wilmar PR machine has been doing all it can to made it appear that the No Deforestation policy is having a beneficial impact on the ground.

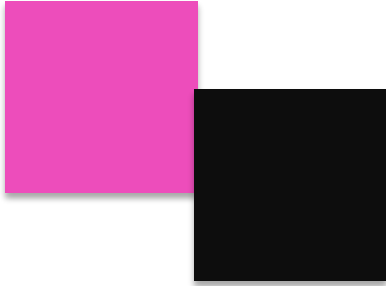


Methodology

The report uses legal data (including landcover data) from the Ministry of Forestry on the relinquishment of forest area for palm oil plantation development.

Other relevant data for monitoring purposes was downloaded from the Global Forest Watch website. Meanwhile, the data on landcover change is based on USGS Landsat data. All of the data was analyzed from both the legal and spatial perspectives.

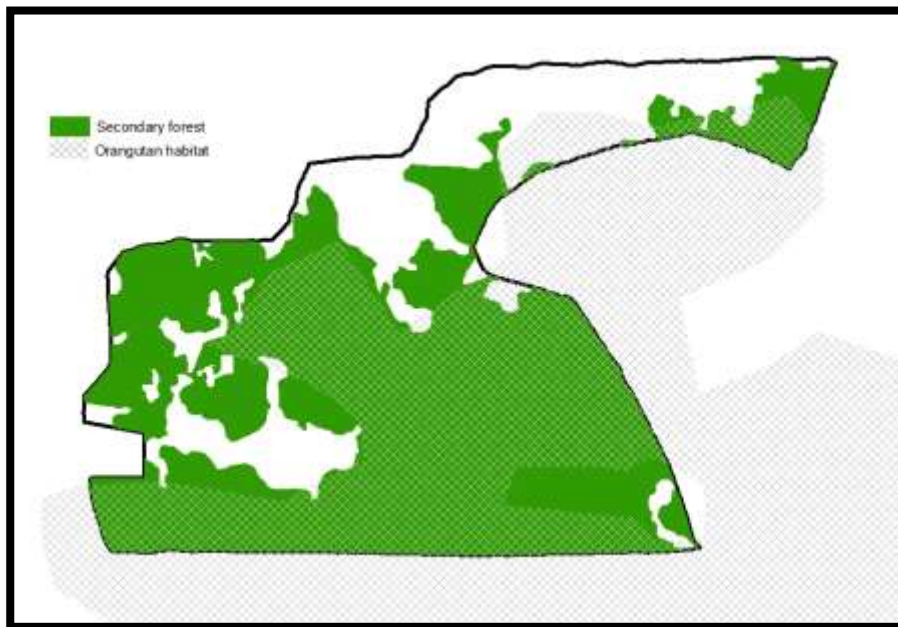
The landcover data is focused on developments post-5 December 2013. As for the data on peat depth, the report uses data sourced from Wetlands International, while the data on orangutan habitat distribution employs IUCN data.



As a Wilmar supplier, Malaysia's Genting Plantations continues to clear orangutan habitat and HCS forests in Indonesian Borneo

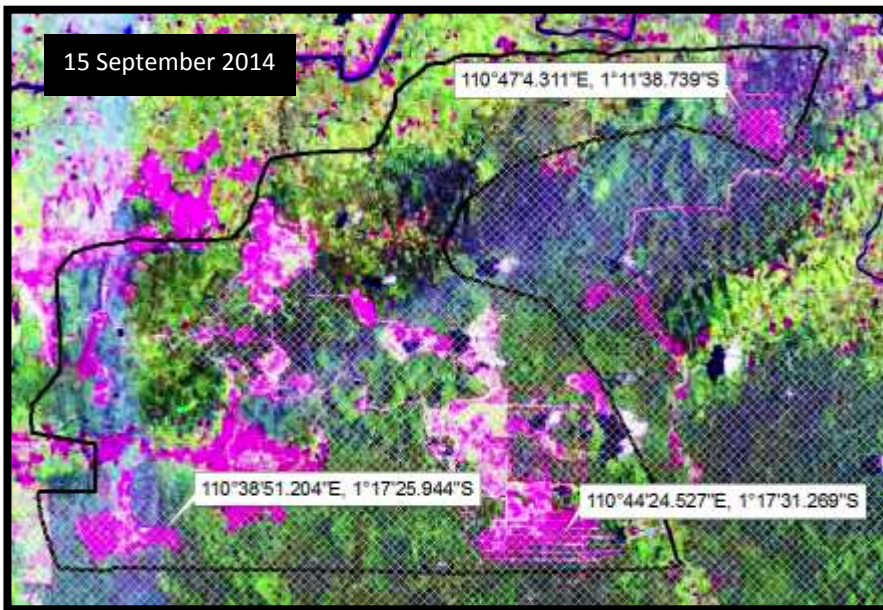
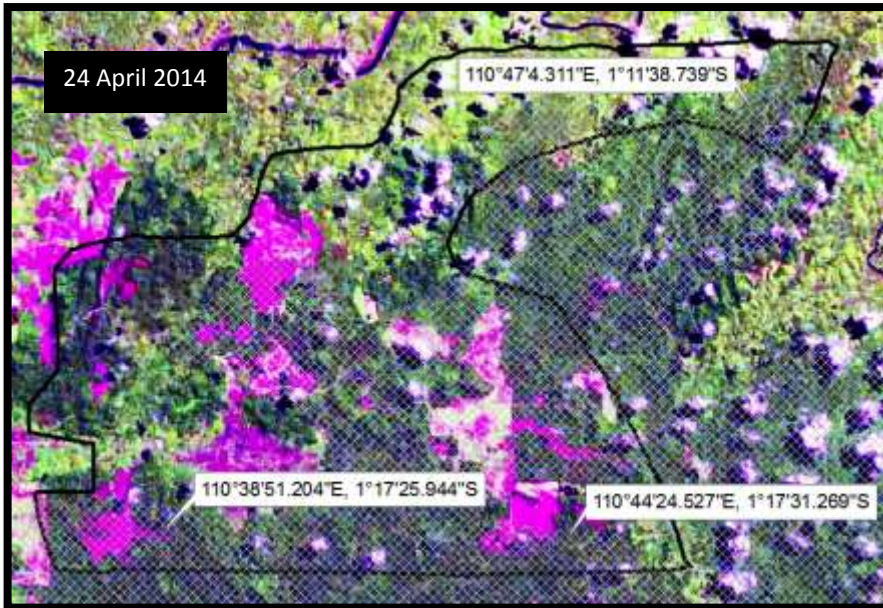
PT Citra Sawit Cemerlang (CSC) is a subsidiary of Genting Plantations, which is a Wilmar supplier. CSC obtained a forest area relinquishment permit from the Ministry of Forestry on 30 June 2011. The permit covers an area extending to 15,705.75 hectares that is located in the province of West Kalimantan. Of this area, some 9,494 hectares, or more than 60%, consists of secondary forest, as stated in the forest area relinquishment permit granted to CSC.

Secondary forest, according to the Wilmar policy, is included in the stratification of HCS forests. Based on data from the IUCN, most of this secondary forest consists of HCS forest and orangutan habitat.



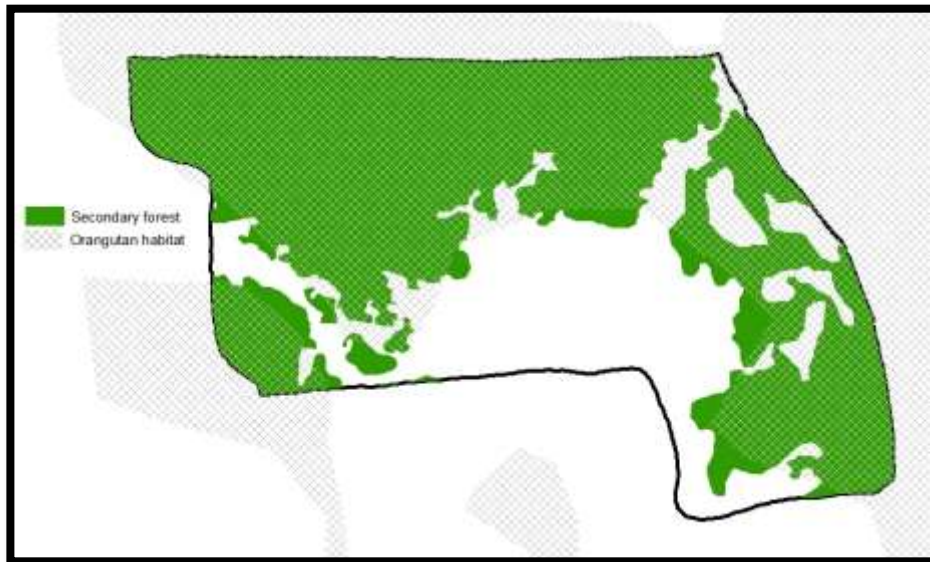
This map shows an overlay between the landcover according to the Ministry of Forestry in 2011 - when the forest area relinquishment permit was issued to CSC - and orangutan habitat distribution based on IUCN data.

The Landsat 8 images from 24 April 2014 and 15 September 2014 show that CSC was continuing to clear orangutan habitat and HCS forests. These Landsat images were taken subsequent to the announcement of the Wilmar policy on 5 December 2013.



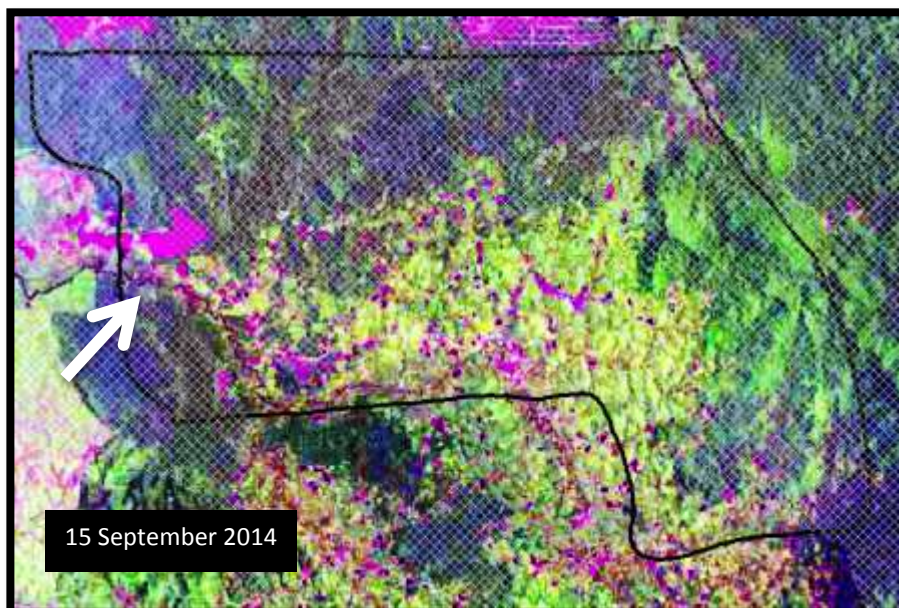
Bearing in mind the uncertainty over the timeline for full implementation of the Wilmar policy, TFT, Climate Advisers, Wilmar and Unilever need to clarify whether the forest clearance operations conducted by Genting Plantation's CSC constitutes a violation of the Wilmar policy?

Genting Plantations owns another palm oil plantation concession that is located right next to CSC's. This second concession is held by PT Permata Sawit Mandiri (PSM), whose forest areas relinquishment permit (for palm oil plantation development) was issued by the Ministry of Forestry on 24 May 2013. The concession covers an area of 16,999.20 hectares, of which 7,706 hectares consists of secondary forest, that is to say, HCS forest.



This map shows the overlay between landcover data from the Ministry of Forestry (2011) and orangutan habitat distribution based on IUCN data. It is important to note that the HCS forests on the PSM concession include orangutan habitat.

The most recent Landsat 8 image, taken on 15 September 2014, shows that large-scale clearance of orangutan habitat and HCS forest has yet to take place on the PSM concession.



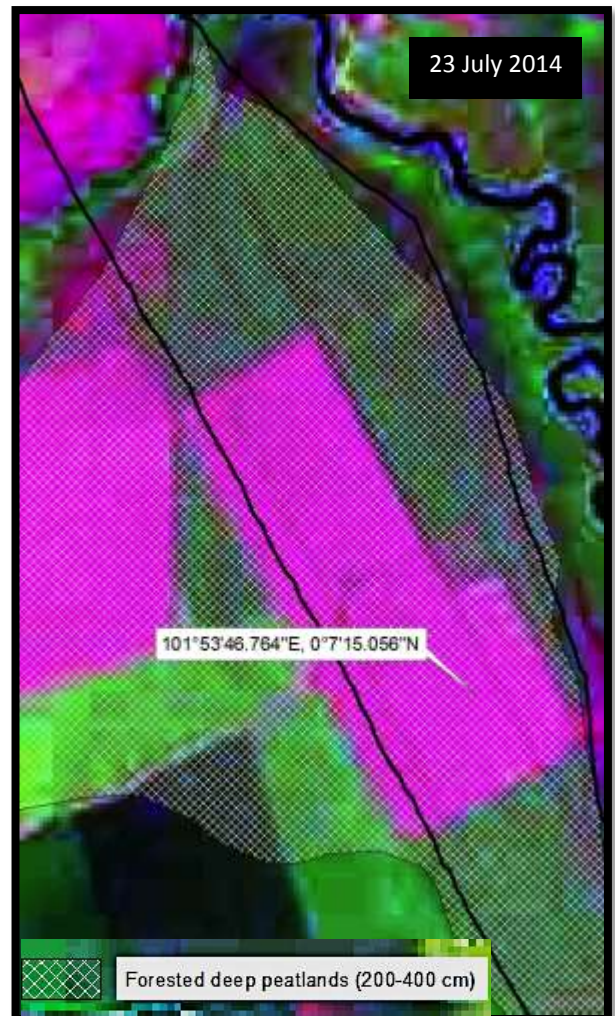
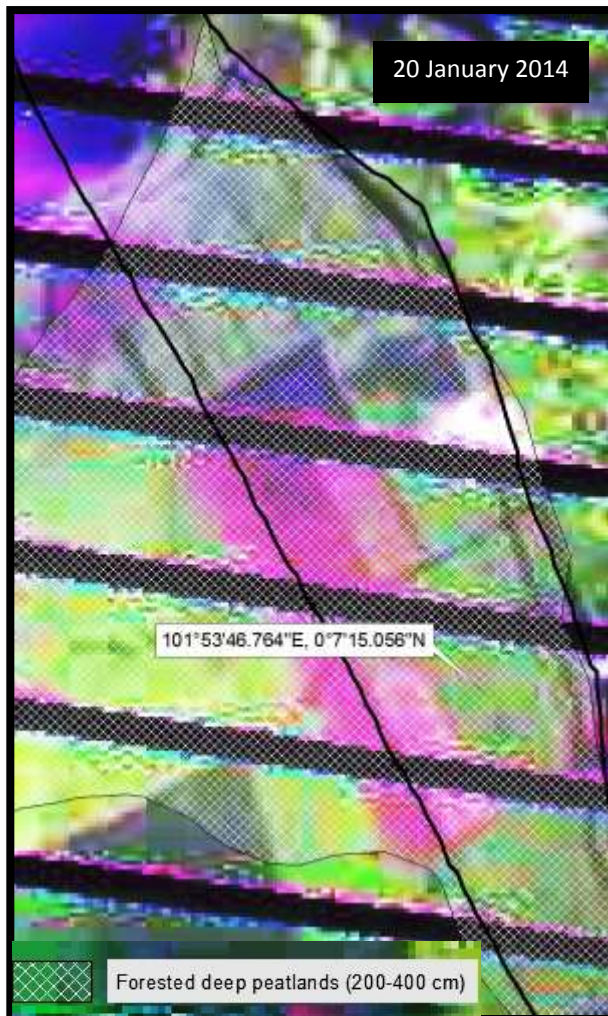
The question is, if Genting Plantations continues to be a Wilmar supplier, can the orangutan habitat and HCS forest on the PSM concession be protected or not? Will it be blanket cleared or not? It is the answers to these questions that will reveal the true nature of the Wilmar policy.



Wilmar supplier clears forested deep peatlands in Sumatra post the announcement of Wilmar's No Peat Policy

PT Langgam Inti Hibrindo (LIH) is a subsidiary of Provident Agro, which is a Wilmar supplier that operates in Riau Province, Sumatra.

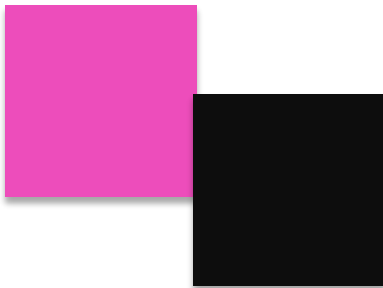
The Landsat 7 image dated 20 January 2014 and Landsat 8 image dated 23 July 2014 provide irrefutable evidence of the clearance of forested deep peatlands on the LIH concessions.



In March 2014, Climate Advisers predicted that the Wilmar policy could have a positive impact on climate change as it would reduce emissions from peatland clearance. In this respect, the island of Sumatra is mentioned as a major source of such emissions.

The question that arises here is whether Climate Advisers took into account the practice of deep peatland clearance by this Wilmar supplier? It is incumbent on Climate Advisers to answer this question.

Given that this clearance of forested deep peatlands is related to the timeline for the application of the Wilmar policy to its third party suppliers, TFT, Climate Advisers, Wilmar and Unilever need to once again clarify whether such practices will be allowed to continue up until 31 December 2015?



Recommendations

TFT and Climate Advisers need to have a clear mechanism for monitoring the operations of Wilmar's suppliers so that they are not reduced to merely acting on reports from other civil society groups. This would give rise to the impression that if no reports from civil society groups were to be published, then the clearance of HCS forests, peatlands and endangered species habitat would go undetected by TFT/Climate Advisers.

TFT, Climate Advisers, Wilmar and Unilever need to collectively explain the actual timeline for the application of the Wilmar policy to its third party suppliers, as listed in the policy, on the way to “full compliance by 31 December 2015.”

It is very important that such an explanation be forthcoming so that the civil society groups that monitor the operations of Wilmar's third party suppliers may determine whether or not violations are committed in respect of the clearance of HCS forests, peatlands, and endangered species habitat by Wilmar's third party suppliers during the period from 5 December 2013 to 31 December 2015.

For further discussion please contact:

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