

To
RSPO Secretariat Sdn Bhd
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No 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur, Malaysia
Tel: +603 23021500 Fax: +603 22014053
Email:

Date: 13th August 2018

Dear Sir,

SUBMISSION OF 5th NEW COMPLAINT ABOUT GOLDEN AGRI-RESOURCES

I/We, Forest Peoples Programme (FPP) and Transformasi Untuk Keadilan – Indonesia (TUK-I), wish to lodge a further complaint concerning the Golden Agri Resources (GAR) company, located in Indonesia.

This complaint is made on behalf of all those affected by GAR's operations and by the operations of its undeclared subsidiaries/ shadow companies.

My full details are as follow:

Name: Marcus Colchester
Position: Senior Policy Advisor
Address: 1c Fosseyway Business Centre, Stratford Road, Moreton-in-Marsh, G156 9NQ, England
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Please find attached herewith the details information regarding the complaint which includes:

A: Description of the name, address and location, and nature of the Company being complaint (please provide map if possible)

B: Description of the action taken by me/ us to try to settle the issues (please provide details based on chronological event)

C: List of other person(s) contacted by me/us in attempt to settle the issues (please provide any relevant documents if any)

D: Any other relevant facts and/or other materials to support this complaint.

I/we fully understand and agree that RSPO Secretariat will be looking into this complaint based on its standard Grievance & Dispute Settlement Handling Protocol.

Thank you.

Yours sincerely,



Marcus Colchester

Forest Peoples Programme

Substance of the Complaint

Golden Agri-Resources has been a member of RSPO since 2011. It's declared subsidiary Sinar Mas Agro Research and Technology Tbk has been a member since 2005. In its latest ACOP, GAR reports that it owns and / or manages a total of 431,673 hectares of oil palm plantations. Of its 45 mills, 29 have been certified according to the ACOP.¹ It is our contention that GAR also controls a set of 'shadow companies' through disguised ownership that are functionally part of the same palm oil group. We have documented these practices over the past several years, in particular in Kapuas Hulu district in West Kalimantan.

The press has recently exposed the same pattern of disguised ownership of 'shadow companies' in the operations of GAR's sister pulpwood and paper company Asia Pulp and Paper, which is part of the same Sinar Mas group.² Studies showed that these shadow companies were actively clearing lands and forests contrary to APP social and environmental policies. In that case, the exposure led the Forest Stewardship Council to suspend its negotiations with APP over a proposed 'roadmap' for the company to allow it to re-associate with FSC and so begin certification of its operations under the controlled wood standard.

Our complaint against GAR is that, by hiding its interest in these 'shadow companies' in the palm oil sector, Golden Agri-Resources / Sinar Mas is in violation of the RSPO Code of Conduct for members. Moreover, we assert that several of these shadow operations are acting in violation of the RSPO P&C having acquired lands from indigenous peoples and local communities without free, prior and informed consent and cleared large areas of forest and peatlands without HCV assessments. Yet GAR is processing fruits from these companies in its mills.

A: Description of the name, address and location, and nature of the Company being complaint

Golden Agri Resources (GAR) is a large consortium legally incorporated in Singapore but with its main offices in Jakarta. It is represented on the Board of Governors of RSPO. GAR operates in Indonesia under the brand name Sinar Mas ('Golden Rays'). The Sinar Mas group also includes Asia Pulp and Paper. Both of these are part of the same group of companies, the principle owners of which are the Widjaya family. The operational address for GAR is: Sinarmas Land Plaza Tower 2, Jl. M.H. Thamrin No.Kav 51, RT.9/RW.4, Gondangdia, Menteng, Kota Jakarta Pusat, Daerah Khusus Ibukota Jakarta 10350 Tel: +62 21 50338899.

GAR's subsidiary Golden Assets Investment International Pte. Ltd reported in 2015, in a legally required report for a bond offering, that, as at 31 December 2014, the Sinar Mas Group has

¹ <https://rspo.org/file/acop2017/submissions/golden%20agri-resources%20ltd-ACOP2017.pdf>

² <https://news.mongabay.com/2018/07/revealed-paper-giants-ex-staff-say-it-used-their-names-for-secret-company-in-borneo/> , <https://news.mongabay.com/2018/06/paper-giant-denies-secretly-owning-independent-suppliers/>

been granted *Hak Guna Usaha* to approximately 301,000 hectares of plantations by the Indonesian government for a maximum term of 35 years which can be extended for a maximum term of 25 years and renewed for up to another 60 years. These land rights expire between 2015 and 2098, with most of the Group's land rights expiring after 2020. In addition, as at 31 December 2014, the Group holds land rights in the form of *Ijin Lokasi* to approximately 143,000 hectares and in the form of *Panitia B* to approximately 119,000 hectares.³

Legality of land-holding and plantation operations in Indonesia⁴

Stage	Area as at 31 December 2014 (in hectares) ⁽¹⁾
<i>Hak Guna Usaha</i>	301,712
<i>Panitia B</i>	119,034
<i>Ijin Lokasi</i>	143,848
Total.....	564,594

Source: Golden Assets Investment International, April 2015

According to the same report, as at 31 December 2014, the GAR held land rights to approximately 565,000 hectares of oil palm plantation land comprising 161 plantations broadly dispersed across Sumatra, Kalimantan, and Papua. The report notes that the group manages 472,837 hectares of planted plantation as at 31 December 2014.⁵

B: Description of the action taken by me/ us to try to settle the issues (please provide details based on chronological event)

We have repeatedly questioned GAR about its relationship with the so-called Kencana Group companies operating in Kapuas Hulu since 2013. Initially GAR senior staff denied any connection. Later, when we enquired why lorries were carrying fruits from the Kencana companies to GAR's mill, they admitted that GAR does have a 'tolling arrangement' with these operations, meaning it admits to processing their fruits for a fee and then passing the oil back to these companies for them to sell (which is technically unlikely as segregation of oils is very hard). Asked in a further meeting why government documents show that these holdings were allocated to GAR subsidiary, SMART Tbk, GAR then admitted that the permits for these operations were originally allocated to SMART but these were later transferred to the Kencana Group. We conclude that GAR has been disguising the real state of affairs, as further detailed below.

³ See page 67-68 of Information Memorandum dated 10 April 2015. Golden Assets International Investment Pte.Ltd. Subsidiary of Golden Agri-Resources.

⁴Information Memorandum dated 10 April 2015. Golden Assets International Investment Pte.Ltd. Subsidiary of Golden Agri-Resources. See Page 102.

⁵ See page 102. Information Memorandum dated 10 April 2015. GOLDEN ASSETS INTERNATIONAL INVESTMENT PTE. LTD. US\$1,500,000,000 Multicurrency Medium Term Note Programme. Golden Agri Resources, April 2015.

C: List of other person(s) contacted by me/us in attempt to settle the issues (please provide any relevant documents if any)

This matter has been discussed by FPP with senior staff of GAR without satisfaction.

D: Any other relevant facts and/or other materials to support this complaint.

Information obtained by CIFOR from the Kapuas Hulu District Government shows that since 2006, 23 oil palm companies have obtained location permits (*izin lokasi*) from the local government in Kapuas Hulu as tabulated below:

No.	Company	Location	Land info Year	Area	Location permit date	Area
1	PT. Riau Agrotama Plantation	Silat Hilir			10-July-01	18,000
		Silat Hilir, Seberuang	29-May-08	10,000	10-Sept-08	10,000
2	PT. Anugerah Makmur Sejati	Silat Hilir, Seberuang	06-Sept-06	15,000	12-May-09	12,350
3	PT. Kapuasindo Palm Industry	Empanang, Semitau	27-Dec-06	18,000	12-May-09	19,000
4	PT. Persada Graha Mandiri	Silat Hilir	04-Aug-06	20,000	12-May-09	19,750
5	PT. Primanusa Mitra Serasi	Silat Hilir, Silat Hulu	06-Sept-06	20,000	12-May-09	17,700
6	PT. Kartika Prima Cipta	Semitau, Suhaid, Selimbau	04-Aug-06	20,000	12-May-09	19,200
7	PT. Paramitra Internusa Pratama	Silat Hilir, Semitau	04-Aug-06	20,000	12-May-09	20,000
8	PT. Buana Tunas Sejahtera	Badau	22-Dec-06	16,000	12-May-09	15,500
9	PT. Sentra Karya Manunggal ⁶	Empanang, Badau	28-Feb-07	20,000	12-May-09	20,000
10	PT. Duta Nusa Lestari ⁷	Semitau	12-Sept-07	17,500	12-May-09	17,500
11	PT. Sawit Kapuas Kencana	Puring Kencana, Empanang	06-Nov-07	27,000	08-Oct-09	18,000
12	PT. Dinamika Multi Prakarsa	Semitau	31-Aug-10	6,165	28-Oct-10	6,165
13	PT. Citranusa Indomakmur	Puring Kencana	31-Aug-10	10,024	28-Oct-10	10,024
14	PT. Borneo International Anugerah	Bika, Putussibau Selatan, Embaloh Hilir,	06-Sept-06	20,000	26-Nov-09	20,000
15	PT. Wahana Hamparan Hijau	Mentebah, BunutHulu	06-Sept-06	20,000	26-Nov-09	19 800
16	PT. Berkah Sawit Abadi	Selimbau, Pengkadan, Jongkong	06-Sept-06	20,000	26-Nov-09	18 000
17	PT. Mitra Kapuas Agro	Boyan Tanjung, Bunut Hulu, Mentebah, Bunut Hilir, Jongkong	06-Sept-06	20,000	26-Nov-09	19,700
18	PT. Khatulistiwa Agro Abadi	BatangLupar, Badau	22-Dec-06	17,000	26-Nov-09	17,000
19	PT. Kapuas Bio Agro	BatangLupar	22-Dec-08	17,000	26-Nov-09	17,000
20	PT. Borneo Estate Sejahtera	BunutHilir, Embaloh Hilir	27-Dec-06	14,000	27-April-07	14,000
		Bunut Hilir, Boyan Tanjung	23-April-10	3,700		
21	PT. Kapuas Agro Mandiri	Kalis, Bika, Putussibau	11-Sept-09	20,000	08-feb-10	20,000

⁶ Subsidiary of SMART, https://lantingborneo.blogspot.co.id/2011/04/nama-perusahaan-di-kapuas-hulu_30.html

⁷Subsidiary of SMART, https://lantingborneo.blogspot.co.id/2011/04/nama-perusahaan-di-kapuas-hulu_30.html; see also map by WWF Indonesia (2005) on page 23 of Chakib A. 2014. *Civil society organizations' roles in land-use planning and community land rights issues in Kapuas Hulu regency, West Kalimantan, Indonesia*. Working Paper 147. Bogor, Indonesia: CIFOR.

		Selatan				
22	PT. Agro Citra Abadi	Embaloh Hulu, Bika,	11-Sept-09	17,000	08-feb-10	17,000
23	PT. BumiTanijaya ⁸⁹	BunutHilir, Jongkong	29-Nov-07	18,000	08-oct-09	20,900
	Total			406,389		406,589

Source: Kapuas Hulu District Forestry and Plantation Agency, 2012.¹⁰

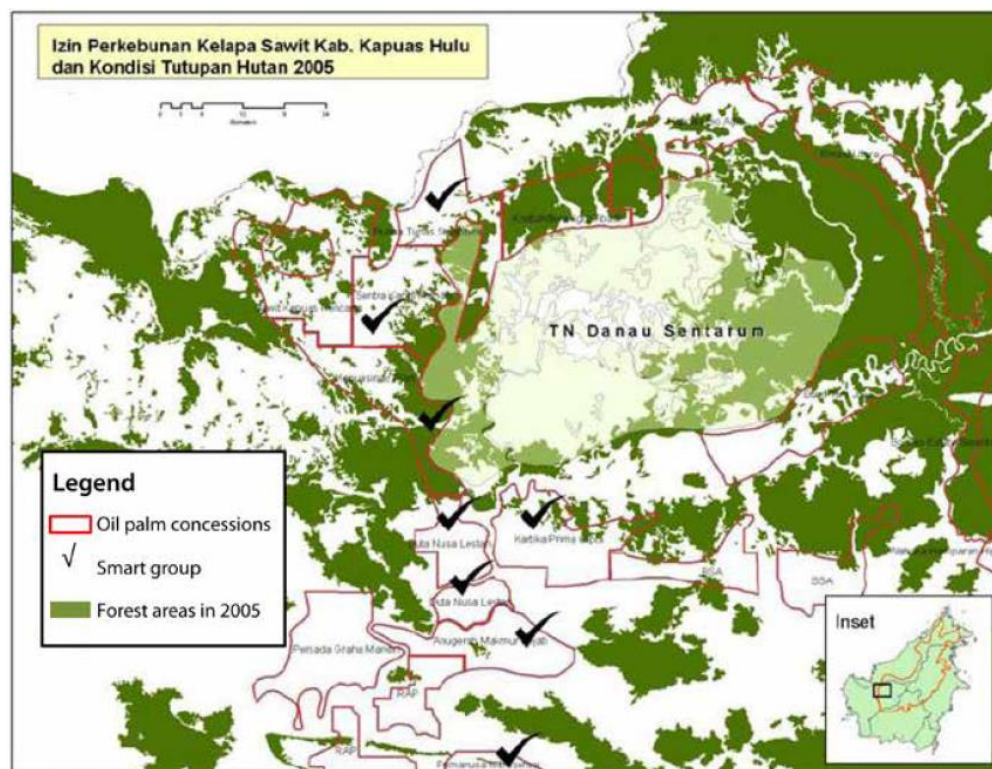


Figure 7. Oil palm concessions around the Danau Sentarum National Park, Kapuas Hulu.

Screenshot from Chakib 2014

Although GAR claims to only own and manage three oil palm plantations in Kapuas Hulu, the evidence we have compiled suggests at least 9 operations actually belong to the Sinar Mas group.¹¹

A separate report also by CIFOR (2016), provides a 2013 list from the Regional Development and Planning Authority (BAPPEDA) of the oil palm plantation companies in Kapuas Hulu District. This report shows that the government itself thinks that SMART manages 159,500 ha of palm oil plantations, split over nine subsidiary companies in the district.¹²

⁸<http://walhi-westborneo.blogspot.co.id/2010/07/perkebunan-sawit-diharapkan-tidak.html>

⁹<https://issuu.com/walhi/docs/potret-buram-sawit-perbatasan-1-2>

¹⁰Chakib A. 2014. *Civil society organizations' roles in land-use planning and community land rights issues in Kapuas Hulu regency, West Kalimantan, Indonesia*. Working Paper 147. Bogor, Indonesia: CIFOR.

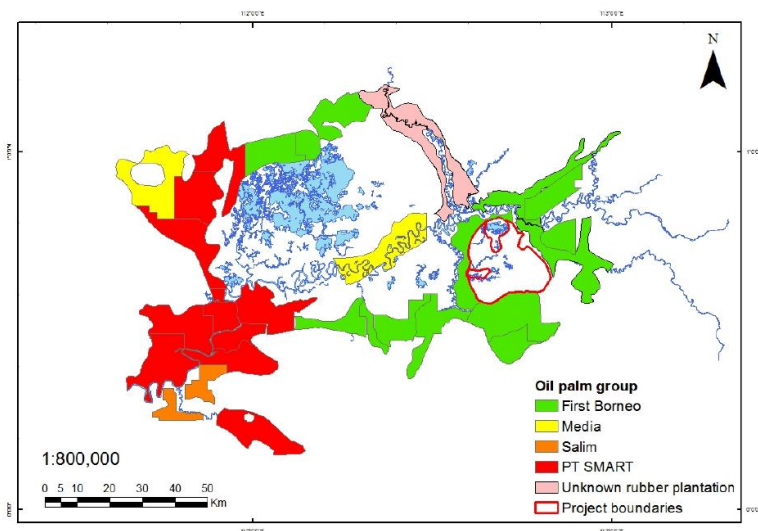
¹¹Chakib A. 2014. *Civil society organizations' roles in land-use planning and community land rights issues in Kapuas Hulu regency, West Kalimantan, Indonesia*. Working Paper 147. Bogor, Indonesia: CIFOR.

¹²Deakin L, Kshatriya M and Sunderland T. 2016. *Agrarian Change in Tropical Landscapes*. Bogor, Indonesia: CIFOR. Page 108.

Company	Group	Area (ha)
PT. Borneo Estate Sejahtera	First Borneo International	14,219
PT. Bumi Tani Jaya	Metro	20,783
PT. Berkah Sawit Abadi	FBI 2006	12,778
PT. Kapuas Bio Agro	First Borneo International	17,386
PT. Primanusa Mitra Serasi	SMART 2006	19,933
PT. Rimba Utara	Takeover 2005	26,514
Kud. Mitra Kenepai Kurnia	–	9,060
PT. Tanjung Berkah Mulia	–	17,825
PT. Tanjung Berkah Mulya	–	17,784
PT. Mitra Kapuas Agro	FBI 2006	7,229
PT. Mitra Kapuas Hulu	First Borneo International	22,846
PT. Karita Prima Cipta	SMART 2008	20,182
PT. Khatulistiwa Agro Abadi	First Borneo International	16,873
PT. Buana Tunas Sejahtera	SMART 2006	15,844
PT. Sentra Karya Manunggal	SMART 2007	19,970
PT. Sawit Kapuas Kencana	Metro 2007	17,227
PT. Kapuas Indo Palm Industri	SMART 2006	19,068
PT. Duta Nusa Lestari	SMART 2006	16,480
PT. Anugrah Makmur Sejati	SMART 2006	21,912
PT. Paramita Internusa Pratama	SMART 2006	19,973
PT. Persada Graha Mandiri	SMART2006	18,762
PT. Riau Agrotama Plantation	Salim 2008	9,682
PT. Borneo International Anugerah	FBI 2006	8,681
PT. Borneo International Anugerah	FBI	12,089
PT. Wahana Hamparan Hijau	FBI 2006	2,740
PT. Wahana Hamparan Hijau	FBI	16,979
PT. HPHM	–	4,995
PT. Dinamika Multi Prakasa	–	–
Total		426,821

Source: Bappeda 2013

Figure 15 Ownership of oil palm licences in the Kapuas Hulu District



Map of oil palm concessions in Kapuas Hulu based on BAPPEDA 2013 (showing PT SMART areas in red)

Table 4.6 Palm oil companies in Kapuas Hulu.

Company	Group	Area (ha)
PT. Borneo Estate Sejahtera ^a	First Borneo Internasional	14,219
PT. Bumi Tani Jaya ^a	Metro	20,783
PT. Berkah Sawit Abadi ^a	FBI 2006	12,778
PT. Kapuas Bio Agro ^a	First Borneo Internasional	17,386
PT. Primanusa Mitra Serasi ^a	SMART 2006	19,933
PT. Rimba Utara ^a	Takeover 2005	26,514
Kud. Mitra Kenepai Kurnia ^a	–	9,060
PT. Tanjung Berkah Mulia ^a	–	17,825
PT. Tanjung Berkah Mulya ^a	–	17,784
PT. Mitra Kapuas Agro	FBI 2006	7,229
PT. Mitra Kapuas Hulu	First Borneo Internasional	22,846
PT. Karita Prima Cipta	SMART 2008	20,182
PT. Khanulistiwa Agro Abadi	First Borneo Internasional	16,873
PT. Buana Tunas Sejahtera	SMART 2006	15,844
PT. Sentrakarya Manunggal	SMART 2007	19,970
PT. Sawit Kapuas Kencana	Metro 2007	17,227
PT. Kapuas Indo Palm Industri	SMART 2006	19,068
PT. Duta Nusa Lestari	SMART 2006	16,480
PT. Anugerah Makmur Sejati	SMART 2006	21,912
PT. Paramita Internusa Pratama	SMART 2006	19,973
PT. Persada Graha Mandiri	SMART 2006	18,762
PT. Riau Agrotama Plantation	Salim 2008	9,682
PT. Borneo Internasional Anugerah	FBI 2006	8,681
PT. Borneo Internasional Anugerah	FBI	12,089
PT. Wahana Hampan Hijau	FBI 2006	2,740
PT. Wahana Hampan Hijau	FBI	16,979
PT. HPHM	–	4,995
PT. Dinanuka Muki Prakasa	–	–
Total		426,821

a Yet to begin land clearing.
Source: RAPPEDA (2013)

Screenshot from CIFOR 2016

In discussions with FPP, however, GAR claims that six of these companies (highlighted in pink above) are not its subsidiaries but belong to the ‘Kencana Group’. However, for its part, the large oil palm group, Kencana Agri, reports no holdings at all in West Kalimantan.¹³

Summary of the concerns from the impacted communities

Field investigations by FPP and local partner NGOs reveal a very similar pattern of land disputes and flawed land acquisition in these six shadow companies as have been documented for the GAR publicly recognised operations. In PT Anugerah Makmur Sejati (PT AMS) there are serious disputes about smallholdings in the village of Ranyai. These have led to blockades and strikes by workers who are also community members. Recently, the same concerns have been raised by the village of Palakota. In Tanjung Keliling, also within PT AMS concession, community members report being intimidated into surrendering their lands.

¹³ See Kencana Agri 2015 Sustainability Report and Kencana Agri 3Q 2017 Performance Report .
<http://kencana.listedcompany.com/misc/sr2015.pdf>



PT AMS signboard in Ranyai

Photo: Marcus Colchester

In PT.Sentrakarya Manunggal (SKM) and PT.Buana Tunas Sejahtera (BTS), land acquisition was done using the same fraudulent methods as was used in PT KPC. Using the local term *simpak beliung*, lands were acquired in return for nugatory compensation by the company after promises of benefits and confirmation that the land would only be borrowed by the company for 25-30 years. Residents unwilling to give up the land were told that they would not be entitled to employment by the company. During the process of land transfer, receipts, proof of submission and photographs of activities were not handed back to the community members but were retained by the company. There was no involvement of villagers in the further licensing such as obtaining HGU. No information was shared about social and environmental impact assessments or HCV set asides. Communities in both concessions have filed complaints with the company and raised their concerns with the local government without effect. The communities have demanded the return of their lands, greater areas of smallholdings and renegotiation of their land release agreements.

Further evidence that these concessions are really part of Sinar Mas

There are several articles from online news which provide information about concessions under control of Sinar Mas Group in Kapuas Hulu District. According to *inilah.com*, Mr. Abang Tambul Husin, Head of Kapuas Hulu District reported that by end of 2009 he had signed permits for the development of over 300,000 hectares for oil palm plantations in Kapuas Hulu.¹⁴ The Sinarmas Group alone was to develop 160,000 hectares by 2014 with total investment value of up to Rp. 4.5 trillion.¹⁵ Another news report from Antara News 27 February 2011, cites the chairperson of PT Sinarmas Group VIII West Kalimantan Region, Mr.

¹⁴<http://ekonomi.inilah.com/read/detail/271831/sinarmas-group-buka-lahan-sawit-di-kalbar>

¹⁵<http://ekonomi.inilah.com/read/detail/271831/sinarmas-group-buka-lahan-sawit-di-kalbar>

Susanto, as saying that the 10 holdings of the group totalling 165,000 hectares will gradually facilitate the development of a CPO market through inland transportation to Malaysia, which will reduce costs and generate significant district incomes for Kapuas Hulu district.¹⁶

A third report by a journalist reported in 2012 that in Kapuas Hulu District, SMART manages nine (9) oil palm plantations covering a total 165,000 hectares. The Sinarmas subsidiary oil palm plantation companies are PT Khatulistiwa Agro Abadi [14,000 ha]; PT Buana Tunas Sejahtera [16,000 ha]; PT Sentra Karya Mandiri [18,500 ha]; PT Kapuas Indo Farm [20,000 ha]; PT Duta Nusa Lestari [14,000 ha]; PT Kartika Prima Cipta [20,000 ha]; PT Anugrah Makmur Sejati [15,000 ha]; PT Persada Graha Mandiri [19,500 ha]; and PT Primanusa Mitra Serasi [19,000 ha].¹⁷

Another reference is an article dated 9 January 2010 from local online news berita2.com, which cites a Sinarmas Group public relations officer from Semitau, Mr. Jailani, disclosing that Sinarmas has been developing oil palm plantation in the district since 2007. He is reported to have claimed that Sinarmas Group would develop and cultivate up to approximately 100,000 hectares oil palm plantations in Kapuas Hulu District (ie much more than the 3 concessions GAR currently claim).¹⁸ Further evidence of this link comes from on the ground checking. PT KPC plasma manager, Mr Jailiani has indeed co-signed as a witness, the land agreement documents between community members in three Dayak communities and PT AMS.¹⁹

The official website of the *Kementerian Perindustrian* reported that Sinarmas Group plans to establish two CPO mills in Kapuas Hulu District. The same article mentions Sinarmas Group has eleven (11) oil palm plantation companies in Semitau sub-district, Suhaid sub-district, Badau sub-district, notably PT Duta Nusa Lestari in Semitau and Suhaid.²⁰ Another article also notes that the development of oil palm plantations will increase incomes for Semitau community. This article also reported that Sinarmas Group will develop oil palm plantations in 160,000 hectares through its eleven (11) subsidiary oil palm plantation companies that will require total IDR 20 trillion in investment and is estimated to create 100,000 jobs for plantation workers. The article also reported that PT DNL belongs to the Sinarmas Group.²¹

In 2011, the press further reported a visit to PT Buana Tunas Sejahtera by West Kalimantan Police Chief Brigadier General Erwin Tobing as part of an investigation into land disputes.

¹⁶ <http://www.kemenperin.go.id/artikel/1217/Sinar-Mas-Grup-Bangun-Dua-Pabrik-CPO>

¹⁷ <https://rusdimathari.com/2012/04/03/terkepung-lautan-sawit-ekspansi-perkebunan-kelapa-sawit-di-kapuas-hulu-bagian-1/>

¹⁸ Perkebunan Sawit Diharapkan Tidak Tabrak Hutan Lindung (*Oil Palm Plantations Are Expected Not Encroaching Protected Forest*) stored at <http://walhi-westborneo.blogspot.com/2010/07/perkebunan-sawit-diharapkan-tidak.html> from berita2.com Saturday, 09/01/2010/pk/22:03.

¹⁹ Photocopies examined by researcher for FPP.

²⁰ Sinar Mas Grup Bangun Dua Pabrik CPO. See at <http://www.kemenperin.go.id/artikel/1217/Sinar-Mas-Grup-Bangun-Dua-Pabrik-CPO>

²¹ Pengembangan Kebun Sawit Dongkrak Pendapatan Masyarakat Semitau. See at <http://www.kalimantan-news.com/berita.php?idb=4512>

While criticising companies for using customary law to acquire land unfairly, the police chief publicly acclaimed the contribution that Sinar Mas group was making to the local economy.²² Yet another press report about an immigrant labour dispute in PT Buana Tunas Sejahtera again reports the company as part of the Sinar Mas Group.²³ Even more curiously, SMART TBK owns two estates in Central Kalimantan with exactly the same names as the so-called 'Kencana Group' estates in West Kalimantan: namely PT Buana Tunas Sejahtera and PT Sentra Karya Manunggal.²⁴

The actual Kencana Agri, for its part, has its offices in Singapore and its Jakarta office in Kencana Tower in West Jakarta (Kencana Tower, 9th Floor, Business Park Kebon Jeruk, Jalan Raya Meruya Ilir No.88, Jakarta Barat 11620). Contrarily, the registered addresses of the alleged 'Kencana Group' holdings in Kapuas Hulu are in Plaza Permata in Central Jakarta (11th Floor, Suite 1104 Plaza Permata, Jl. M.H. Thamrin No. 57, Gondangdia, Menteng, Jakarta Pusat, Jakarta 10350). The Plaza Permata tower block is only 50 metres south of the main offices of GAR in 'Sinar Mas Land'. Plaza Permata is a building regularly used by Sinar Mas staff.



PT AMS FFB ferry near Ranyai

Photo: Marcus Colchester

On the ground checking shows that the planting of so-called Kencana and GAR holdings in Kapuas Hulu were done at exactly the same time and indeed are barely distinguishable from each other, even though more recently erected sign-boards now seek to demonstrate they

²² <https://kapuasbasin.wordpress.com/2011/06/29/kapolda-kunjungi-pt-buana-tunas-sejahtera/>

²³ <https://kalbar.antaranews.com/berita/344929/tiga-wna-bekerja-di-kapuas-hulu>

²⁴ https://www.rspo.org/uploads/default/pnc/Hanau_Mill_AS-408671_RSPO_PC_Report_SMART_Tapien_Nadenggan-Hanau_CA2_Sept14_20141231.pdf

are different holdings. Moreover, community members in so-called Kencana group operations who have been interviewed by FPP and local partners have informed us repeatedly that Sinar Mas machinery is used in areas claimed to be managed by the so-called Kencana group. GAR staff are also reported to have directly engaged in negotiations for land acquisition and smallholder allocations with the host communities for so-called Kencana group holdings. As noted, GAR itself does not deny that FFB from these operations is being processed in its mill.

Forest Peoples Programme has interviewed an ex-member of Sinar Mas, who chose to be anonymous for obvious reasons, who confirms that indeed it is common knowledge to staff working within Sinar Mas that these companies are really owned by the same group.

By means of this complaint we are asking the RSPO Complaints Panel to immediately investigate these violations of the RSPO Code of Conduct and the RSPO P&C. It is our view that GAR should be heavily sanctioned for disguising its ownership of these subsidiaries and its responsibility for the violations of the RSPO P&C that these companies are perpetrating. GAR should be suspended from the RSPO Board while these violations are investigated and then put right.