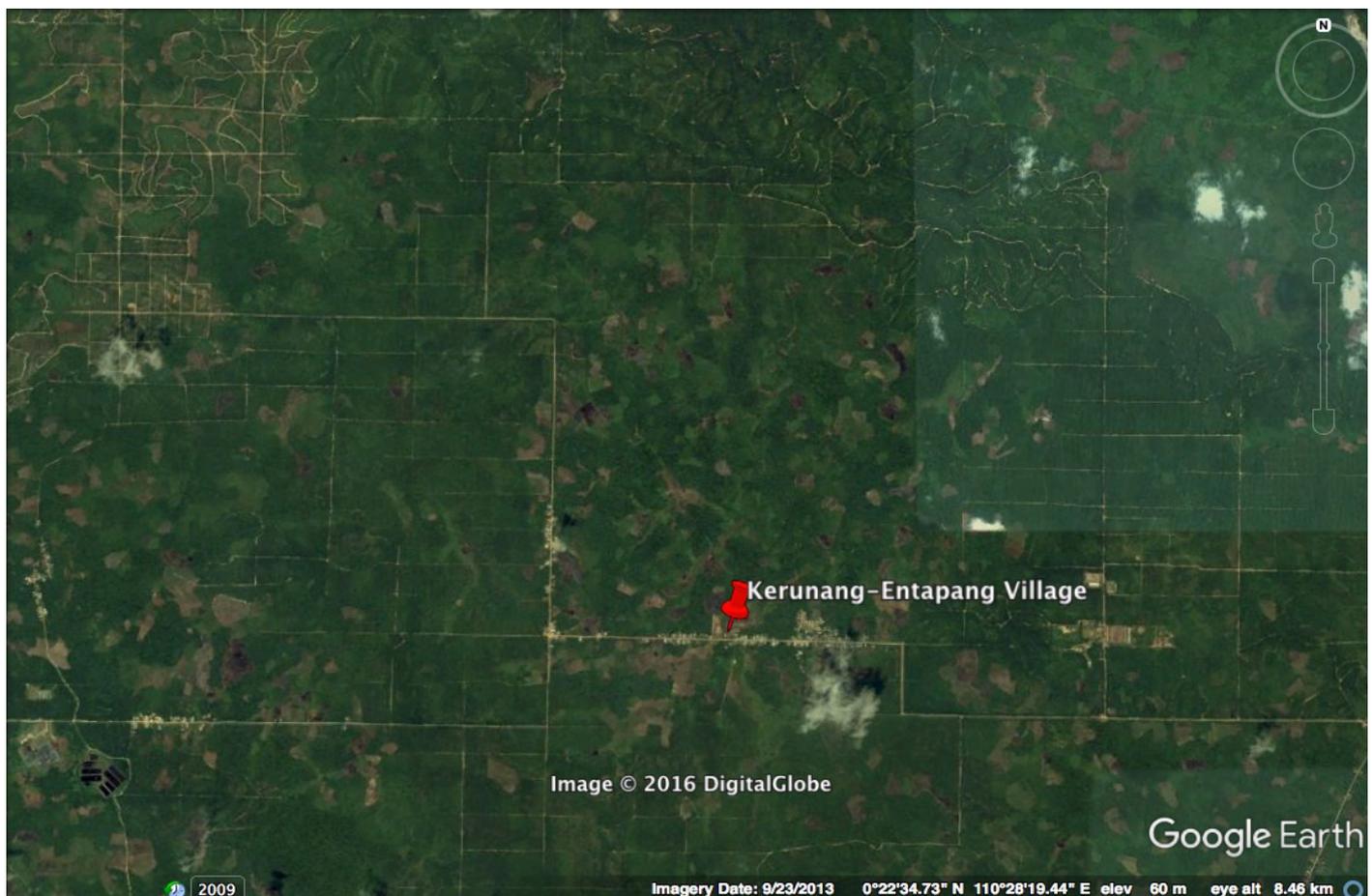


How Sime Darby's landgrabbing overshadows its green image

- Sime Darby is one of the world's largest palm oil companies and it produces around 16% of all RSPO certified palm oil.¹
- In 2015 it reported to have a worldwide landbank of 850,000 ha of which 591,000ha are RSPO certified.²
- In 2016 Sime Darby had 56 RSPO certified mills, but it's PT MAS mill in Sanggau remained uncertified.³
- Sime Darby has been a member of the RSPO since 2004. It has published social and environmental policies⁴, it is signature to initiatives like the United Nations Global Compact, the New York Declaration on forests and the sustainable Palm Oil Manifesto.⁵ In September 2016 it launched its Responsible Agriculture Charter⁶ and it has announced its intention to join the POIG.⁷
- Despite the company's apparent commitment to sustainability, a complaint over landgrabbing has been lodged against Sime Darby at the RSPO in 2012, which it has so far failed to solve.
- In West Kalimantan, Sime Darby's subsidiary PT MAS has been operating on indigenous lands since 1995, without obtaining FPIC. This is in breach of all of the sustainability initiatives Sime Darby has signed, including the RSPO's P&C 2.2.
- The top five investors of Sime Darby are Malaysian institutions.
- The top three creditors of Sime Darby are Malaysian banks.



Demands to Sime Darby

- Return community lands to their customary owners.
- Comply with RSPO P&C 2.2 and publish documents that prove the company has legal land rights over all its plantations.⁸

Demands to RSPO

- Require Sime Darby to solve its open RSPO complaints within one year and suspend the company's membership if it fails to do so.
- Ensure that the RSPO's Complaints are effectively solved within a limited timeframe.

Demands to POIG

- Require Sime Darby to resolve all its open complaints at the RSPO as a pre-requisite for it to join the POIG.

Demands to financiers of Sime Darby

- Require Sime Darby to solve its RSPO complaint within one year.

Demands to buyers of Sime Darby

- Stop sourcing palm oil from Sime Darby until it has solved its open RSPO complaint.

LANDGRABBING OF INDIGENOUS LANDS IN WEST KALIMANTAN

Sime Darby's subsidiary PT MAS has been operating on indigenous lands since 1995, without obtaining FPIC. Despite an RSPO complaint from 2012, it has so far failed to address these issues.

1995 - PT MAS makes undocumented agreement with indigenous communities on land use

PT Mitral Austral Sejahtera (PT. MAS) made oral (Pinjam Pakai) agreements with the indigenous Dayak Mayau, Ribun and Tingin communities in the Sanggau district, to lease their land for palm oil plantations. The communities of Kerunang and Entapang agreed to lease 1,462 ha of their land for 25 years (until 2022) in exchange for a one-time payment of IDR 50,000/hectare.

- The agreement was not made on the basis of informed consent.
- No contract was signed with the communities.

2000 - PT MAS obtains HGU without the knowledge of indigenous communities

PT MAS obtained a plantation permit (HGU) for 8,741ha, with a validity till 2030.⁹ The area of the HGU overlaps with the villages of Kerunang and Entapang as well as that of other indigenous villages.

- Communities were not informed about the HGU.
- Based on the HGU, PT MAS claims the right to keep the lands until 2030, breaking the 1995 agreement to the communities to return the land in 25 years.

2007 - Talks with Sime Darby

When Sime Darby took over the management control of PT MAS in 2007, affected communities submitted a list of 14 legacy claims to the RSPO certified company.¹⁰

2012 - RSPO complaint

As all 14 demands remained unsolved after 5 years, 9 indigenous communities submitted a complaint on Sime Darby to the RSPO, regarding its:

- Lack of Transparency on land status and partnership agreements
- Lack of compliance to customary land rights

SIME DARBY'S LANDGRABBING IN INDONESIA



- Lack of proof of (documented) compensation
- Lack of compliance to local regulation

2013 - Communities disagree with methods of conflict solving working group

The communities of Kerunang and Entapang left the TKPP (Tim Kerja Perwakilan Petani) working group that Sime Darby set up to address the RSPO complaint, as they did not agree with the way the diverse interests were being represented in it. They also disagreed with the TKPP's claim that several demands had been solved. The main demands of the Kerunang and Entapang communities are:

- The rearrangement of the plasma locations, many of which are now located on other people's lands, causing internal conflicts.
- The return of their lands in 2022.

2015 - Sime Darby refuses to reply to the community's proposal for a solution

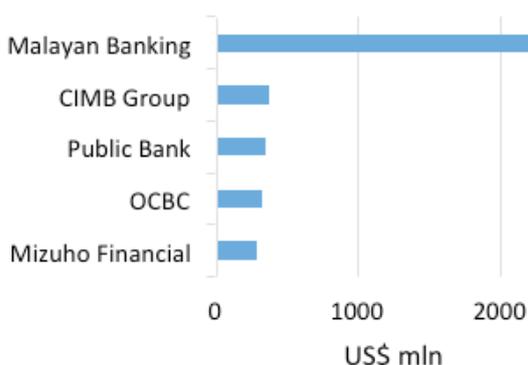
In May, the communities of Kerunang and Entapang submitted a Proposal for Solution to Sime Darby, which included a proposal for a participatory mapping process.

- Sime Darby has still not responded to this proposal.

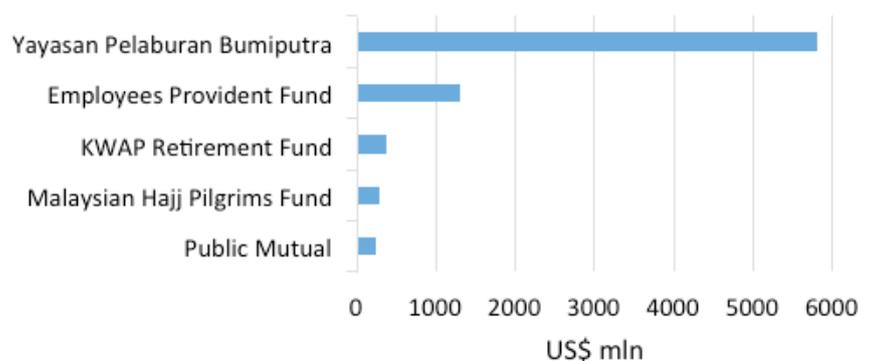
Financiers of Sime Darby

- The top creditors of Sime Darby in the period 2009 to September 2016 include three Malaysian banks: (Maybank, CIMB, and Public Bank), a bank based in Singapore (OCBC) and one from Japan (Mizuho).¹¹
- Four of the top 5 creditors of Sime Darby have no publicly available investment policy related to the forestry or the palm oil sector.¹²
- All five top investors in Sime Darby are Malaysian institutional investors, including two pension funds.¹³

**Top creditors of Sime Darby
(2009-2016 September)**



**Top investors in bonds & shares of Sime Darby
(2016 September most recent filing)**



Buyers of Sime Darby

- Sime Darby buyers include global brands like Kellogg,¹⁴ Nestlé,¹⁵ Wilmar and Archer Daniels Midland (ADM). Unilever sources from the two latter ones.¹⁶

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