



**Friends of
the Earth
Europe**



**Les Amis
de la Terre**



www.amisdelaterre.org

Les Amis de la Terre

Lucie Pinson – Chargée de campagne Finance
privée/Coface
2B rue Jules Ferry – 93 100 Montreuil
tél : 33(0)1 48 51 18 98, fax : 33(0)1 48 51 95 12
e-mail : lucie.pinson@amisdelaterre.org

Societe Generale

Attention to

Frédéric Oudéa,
Chief Executive Officer
Tour Societe generale, la Défense
75886 Paris Cedex 18
France

Paris, 11th July, 2013

Call for actions against harmful fires in Indonesia

Dear Mr Oudéa,

As a follow up to our previous information on Sime darby we are writing to you again on behalf of Friends of the Earth, to update you of the potential involvement of Sime Darby in the on-going forest fire disaster in Indonesia and possible repercussions.

More than 800 fires have been raging across Indonesia since last week causing severe haze and health hazards in neighbouring countries. Malaysia declared a state of emergency in some areas after the air pollution index from illegal burning of forests and peat lands in Indonesia reached 750 (above 300 is considered dangerous). Singapore has sought “strong, firm, effective” action against local companies that may be involved in illegal burning in Indonesia that led to the city-state’s worst pollution on record.^{1 2}

There are 17 timber and 15 palm oil companies, including Kuala Lumpur-based Sime Darby Bhd, which have land in areas hit by fires. Sime Darby have stated that they operate a zero burn policy on their lands.

Yet according to World Research Institute data obtained from the Indonesian Government in 2013, active fires on Sime Darby’s plantations amounted up to 55 on June 23th. On Sime Darby’s Truggal Mitra plantation fires decreased from 34 to 27.^{3 4}

¹<http://www.bloomberg.com/news/2013-06-22/singapore-seeks-strong-response-as-indonesia-lists-fire-sites.html>

²<http://blogs.wsj.com/searealtime/2013/06/20/singapore-air-pollution-index-hits-record-high/>

³<http://insights.wri.org/news/2013/06/peering-through-haze-what-data-can-tell-us-about-fires-indonesia>

⁴http://writemp.maps.arcgis.com/apps/SocialMedia/index.html?webmap=8efbd85041a441c6828a7411f37afdb8&appid=0b1251a07c124bbaa308f6756c3f7e05&layers=Fires_concessions_20130621_7511%2CFires_activefires_20130621_7406&youtubeRange=this_month&youtubeChecked=true&twitterChecked=false&flickrRange=this_month&flickrChecked=false&panoramioChecked=false&socialDisplay=point&locatePoint=%22

The causes of the fires could be the slash and burn practices that have been used by palm oil producers to clear land for palm oil plantation in the past.

Sime Darby's argues that NASA had outdated data regarding the concession areas, but the dataset for land use was obtained from the Indonesia Ministry in 2013. Indonesian officials stated that two units of Sime Darby Plantation are under investigation for allegedly starting haze-related fires on their land.

Friends of the Earth research into European financiers of Sime Darby found that Amundi, which is 70% owned by Credit Agricole and 30% by Societe Generale holds shares with a total value of 8.80 million euro. Lyxor Asset Management, part of Societe Generale holds shares with a total value of 7.7 million euro.

FoEE is calling on Sime Darby, investors including Societe Generale and the Indonesian government to do the following:

1. Sime Darby need to check if their suppliers are involved in the burning and immediately cease contracts with them in case they are
2. Sime Darby need to publish the coordinates of the exact location of their plantations in order to define their responsibility in these fires
3. Societe Generale should call on Sime Darby to take these steps.
4. The Indonesian government should update and publish their palm oil concession maps and be transparent about exact locations of the fires to allow for independent monitoring.

In case that Sime Darby is found to be directly involved in the forest fires this would be a strong argument for investors to withdraw their involvement with these companies. Forest fires have been going on for the last decade and Sime Darby is well aware of the problem. If they are nevertheless involved in the fires, there is no excuse and only a strong signal of disengagement will affect the company.

We would be pleased to receive from you a response to this letter. Should you have any questions, do not hesitate to contact us.

Yours faithfully,

Lucie Pinson, Private Finance Campaigner, Friends of the Earth France / Les Amis de la Terre

Anne Van Schaik, Accountable Finance campaigner, Friends of the Earth Europe

Abetnego Tarigan, Executive Director WAHLI/ Friends of the Earth Indonesia Local group