

# HSBC funding Indonesian forest destruction: Greenpeace

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Palm oil seeds being harvested in Sumatra, Indonesia—the edible vegetable oil is a key ingredient in goods from shampoo to biscuits

Greenpeace on Tuesday accused banking giant HSBC of helping to arrange billions of dollars in financing for companies whose palm oil operations have been blamed for destroying vast swathes of Indonesian rainforest.

The environmental group said the British bank had broken its own guidelines which ban supporting [palm oil](#) companies involved in unsustainable practices as it was part of syndicates that had arranged \$16.3 billion of loans since 2012.

The bank was also involved in arranging nearly \$2 billion of corporate bonds, the activists said in a new report.

"HSBC claims it's a respectable bank with responsible policies on deforestation. But somehow these fine words get forgotten when it's time to sign the contracts," said Annisa Rahmawati, senior forest campaigner for Greenpeace Southeast Asia.

The bank said it did not knowingly provide services to directly support palm oil companies that do not comply with their policies on deforestation.

Vast tracts of Indonesian jungle have been cleared in recent years to make way for plantations to feed insatiable global demand for the edible vegetable oil, which is a key ingredient in goods from shampoo to biscuits.

This has led to the destruction of the habitats of endangered animals such as orangutans. Burning land to make way for plantations also causes huge forest fires that burn out of control most years and shroud the region in toxic haze.

Greenpeace, which analysed corporate financial data and [company](#) reports and statements, listed six firms it said received financial services from HSBC and whose palm oil operations had been accused of unsustainable practices.

The report said the companies were accused of activities including land

seizures from local people, [forest fires](#), abuse of workers and operating without legal permits.

HSBC said customer confidentiality meant it could not comment on specific companies.

But the bank added it had no interest in financing customers involved in illegal operations, land clearance by burning, the conversion of high-value conservation areas, child or forced labour or the violation of local communities' rights.

"We are not aware of any current instances where customers are alleged to be operating outside our policy and where we have not taken, or are not taking, appropriate action," the bank said in a statement.

The companies mentioned in the report as having received financial services from the bank were: Bumitama Agri; Goodhope Asia Holdings; IOI Group; Noble Group; Posco Daewoo; and Salim Group.

Noble referred requests for comment to its sustainability information document, which said its plantation arm was a member of the industry's Roundtable on Sustainable Palm Oil (RSPO) and it followed RSPO procedures.

The other companies did not respond to requests for comment.

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