

Palm Sustainability

Progress Implementation Report:
Traceability, Certification, Supplier engagement, Smallholder inclusion,
Summary KPIs

Updated September 2022

LDC Profile

- LDC does not own any plantations or mills.
- LDC owns 2 palm oil refineries in producing country (Indonesia) – in Balikpapan and Lampung; all sourcing is carried out via **3rd party mills**; and an edible oil refinery in India, importing CPO from Indonesia and Malaysia through trading partners.
- Sourcing which goes through these 2 Indonesian **refineries** is considered by LDC “**direct**” **sourcing**
- Sourcing which does not go through these 2 refineries, is considered “indirect” or “traded” sourcing- Singapore Commercial trading hubs handles these purchases
- LDC regularly updates its sourcing profile on the LDC website. <https://www ldc.com/sustainability/responsible-supply-chain/sustainable-palm-oil/>
- The public transparency report illustrates the LDC sourcing by direct/indirect, by origin load ports, certification scheme, traceability to mill and traceability to plantation

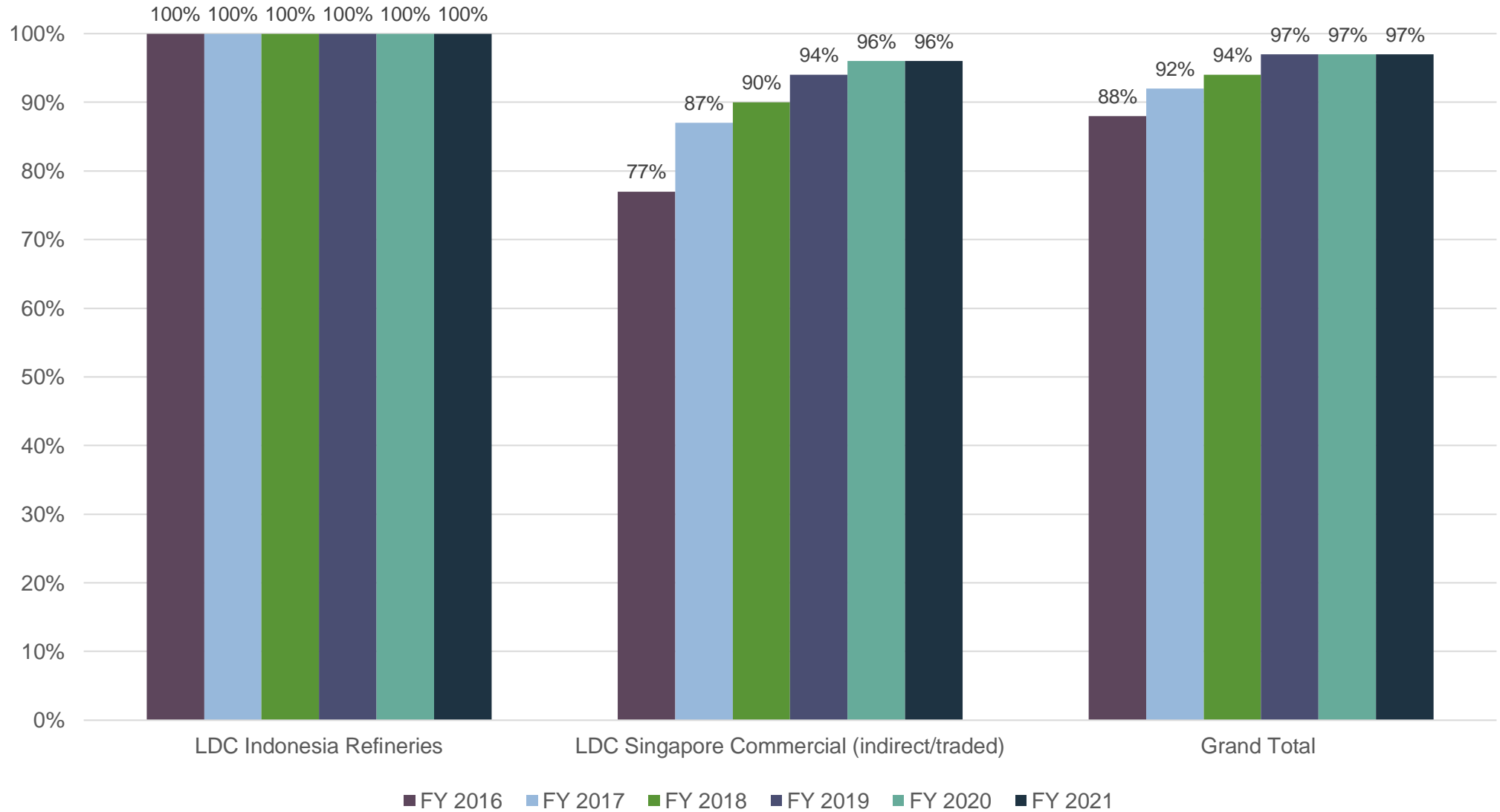
See our latest 2021 Sustainability Report.

<https://www ldc.com/sustainability-report-2021/>

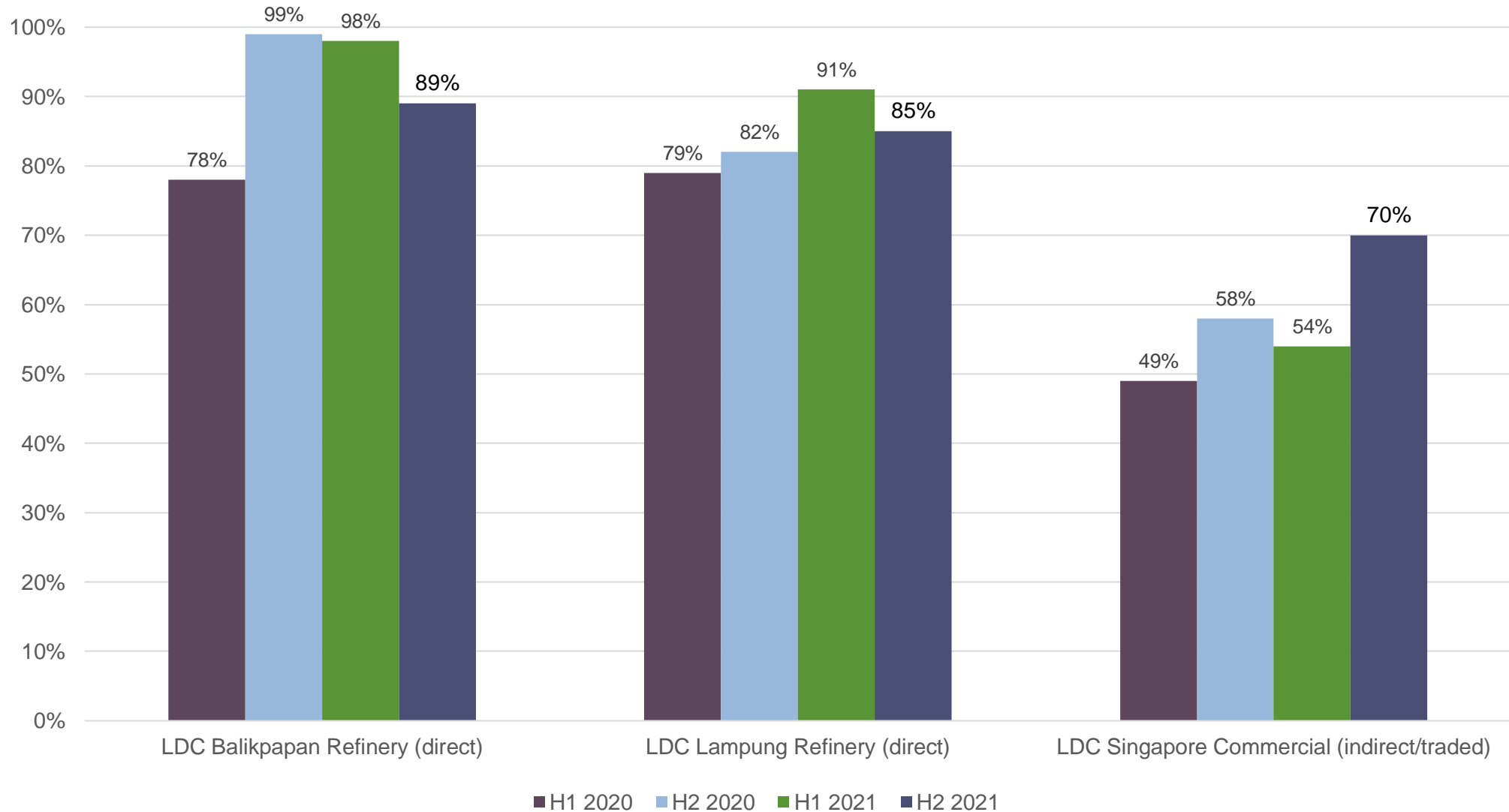
See our updated Palm Sustainability Policy.

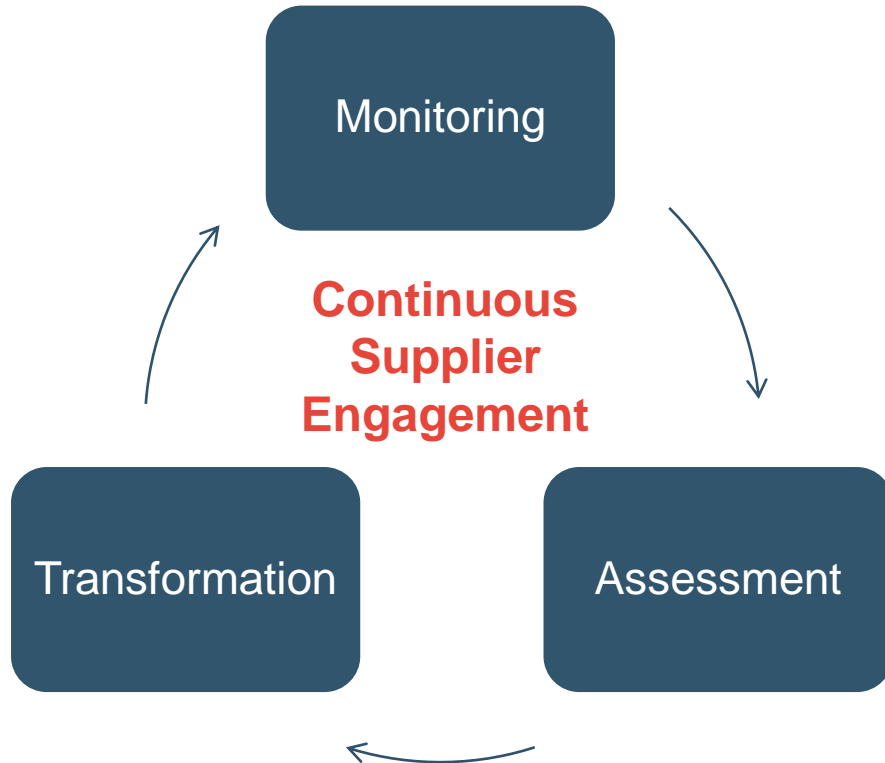
https://www ldc.com/wp-content/uploads/LDC_Palm-Sustainability-Policy_Feb2022_EN.pdf

Traceability to Mill: LDC Refineries & Singapore Trading (2015-2021) – Externally reported



Traceability to Plantation: LDC Refineries & Singapore Trading (2020-2021)

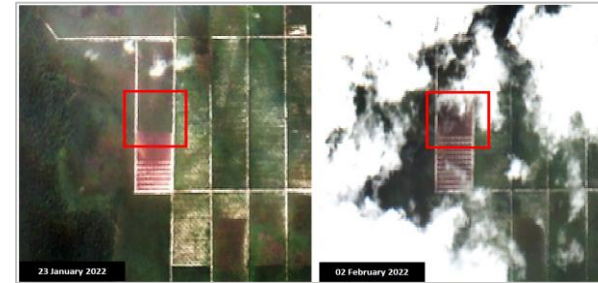




- LDC adopts a continuous improvement approach with its suppliers, supporting their transformation journey through monitoring, assessment and transformation;
- Monitoring part is carried out with the support of satellite monitoring service providers. LDC currently works with **Earthqualizer Foundation and Global Forest Watch Pro** tool to monitor our global supply base;
- Assessment includes detailed self-declaration assessment tools, NDPE Implementation Reporting Framework (IRF) tool, as well as desktop & field verification based on risk profiles;
- Action plans for transformation may be required based on inputs from grievances and supplier assessments;
- Specific technical trainings are held to complement the supplier engagement process.

Earthqualizer Foundation

- For mill in direct sourcing and traded oil in South East Asia, Africa, Latam
- Receive bi-weekly monitoring report of forest clearing/peat development/fires



GFW Pro

- The PALM Risk Tool from GFW Pro are used to define the overall Mill Priority Level of our global supply chain

Location Name	MFL	Def.	Peat	Prot.	Fire	Over.	Forest	Peat	Prot.	Over.
PT Ask Tarum	100%	0	0	0	0	0	0	0	0	0
PT Agro Inti Kencana...	100%	0	0	0	0	0	0	0	0	0
PT Alantarya Kencana...	100%	0	0	0	0	0	0	0	0	0
PT Anaktula Sant...	100%	0	0	0	0	0	0	0	0	0



Master list - Ongoing: Last updated 31 May 2022

Based on 2021 traceability data. Best endeavours are taken to ensure accuracy of data.

The list is being periodically updated. For further information, or to file a grievance, please contact: global-sustainability-palm@ldc.com

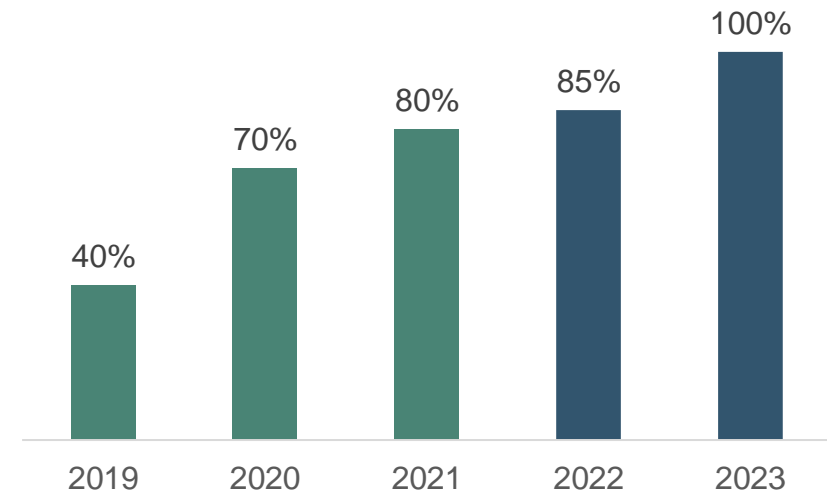
Ref No	Group Supplier	Supplier Entity	Source	Status	Comment
Direct Suppliers Grievances					
1	BBIP Palm Group	PT Artha Prigel (PT AP)	Business and Human Rights Resource Centre	Closed	LDC does not permit any Casualties detained i
2	Dharma Satya Nusantara (DSN)	- PT Prima Sawit Andalan (PT PSA) - PT Putra Utama Lestari (PT PUL) - PT Kencana Alam Permai (PT KAP)	Mighty Earth Rapid Response Report	Closed	In July 20: that the a leader an As for PT I paddy fiel As for PT I
3	Genting Plantation	- PT Citra Sawit Cemerlang (PT CSC) - PT Permata Sawit Mandiri (PT PSM)	Mighty Earth Rapid Response Report	Closed	In May 20 The allege end of M The suppl
4	Goodhope	PT Rim Capital (PT RC)	Mighty Earth Rapid Response Report	Closed	In Dec 20: The comp committe authority
5	Kencana Agri	- PT Agro Sawit Mas Lestari (PT ASML) - PT Agri East Borneo Kencana (PT AEBK)	Mighty Earth Rapid Response Report	Closed	Supplier p PT AEBK h issued a s This case i
6	Kuala Lumpur Kepong Berhad	- PT Menteng Jaya Sawit Perdana (PT MJSP) - PT Jabontara Eka Karsa (PT JEK)	Mighty Earth Rapid Response Report Forest Report	Closed	Supplier p place/grievance/. This case is considered closed.
7	Lyman Agro	PT Bonti Permai Jayaraya (PT BPJ)	Mighty Earth Rapid Response Report	Closed	Supplier responded that the alleged land clearing is located outside their concession area. During the period of Jan-Aug 2019, they didn't have any land clearing activity. Supplier provided evidence overlaying with their concession map. This case is considered closed.

Progress update

- Grievances are documented and followed up on directly through direct supplier or trading partner
- Engagement is always the first route undertaken
- Suppliers are removed from approved supplier list when conditions are not met (e.g. stop work order + compliance to policy, etc.)
- Cases are considered closed when they are proven unsubstantiated or when adequately resolved
- Grievance list is published online and regularly updated
- Suspended suppliers need to meet re-entry criteria in order to re-enter our supply chain

Progress update

- Launched Self-Assessment Tool for direct suppliers – 2019
- Launched updated LDC Supplier Questionnaire – 2020
- Updated the Sustainability KYC for New Supplier and Questionnaire for Existing Supplier
- Monitor and track Deforestation Free progress (for both direct and indirect) using NDPE IRF and our Deforestation-free verification methodology
- The NDPE IRF profiles of our two Indonesia refineries are externally verified by Control Union



*% direct suppliers that complete
LDC NDPE Self-Assessment*

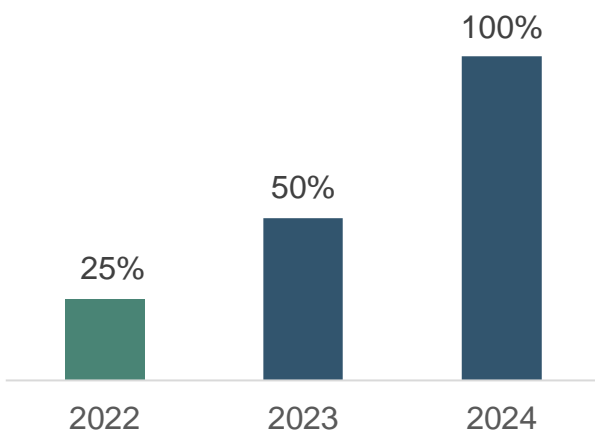
Supplier Engagement: *desktop and field Assessment*

Progress update

- Supplier desktop and field verification of NDPE implementation methodology is developed with Daemeter Consulting.
- Field verification to focus on high-risk supplier, while desktop verification on medium-risk ones
- The supplier risk prioritization is based on
 - NDPE Policy
 - Self Assessment Questionnaire result and certification profile
 - Traceability to Plantation Profile Assessment (RCA-TTP, GFW Pro)
 - Grievances raised - both social and environmental

Field Visit Priority to Supplier FY2021

No.	MIL Parent Company	MIL name	Field Visit Priority
1	PT Sempoa Submartan Jaya	PT Sempoa Submartan Jaya	High
2	Mega Hilau Group	PT Sempoa Transcendit	High
3	PT Pacific Agro Sentosa	PT Cipta Usaha Sejaht	High
4	PT Ochaia Agung Wijaya	PT Harauwenta Agro Lestari	High
5	Mwain Group	PT Siring Raya	High
6	PT Mitra Agro Sembada	PT Mitra Agro Sembada	High
7	PT Sinar Jaya Agro Investama	PT Sinar Jaya Inti Mulya (Kalteng)	High
8	PT Sinar Jaya Group	PT Sinar Jaya Sempoa	High
9	PT Sinar Jaya Agro Investama	PT Utama Agrindo Mas	High
10	PT Palma Serasih	PT Anugrah Tongkatana	High
11	PT Bumi Khatulistiwa Mandiri	PT Bumi Khatulistiwa Mandiri	High
12	Daya Sempoa Agro Perdana (DSAP) Group	PT Daya Sempoa Agro Perdana	High
13	PT Triadhi Intersida	PT Sinar Bengulu Selatan	High
14	M.F. Evans Group PLC	PT Teguh Jayaprima Abadi	High
15	PT Citra Plantation Indonesia	PT Citraura Bumi Sempoa	Medium
16	PT Bukit Khatulistiwa Prima (BKIP)	PT Bukit Khatulistiwa Prima	Medium
17	Kencana Prima Nantani (KPN) Plantation	PT Hamparan Sawit Sejahtera	Medium
18	CT Agro	PT Kubat Agro Lestari	Medium
19	PT Pacific Agro Sentosa	PT Mitra Avoca Sejaht	Medium
20	IC Chemical Group	PT Nagaman Gemilang	Medium
21	Gesding Plantations Berhad	PT Teperjang Inti Surya Mulya	Medium
22	Kencana Prima Nantani (KPN) Plantation	PT Sejahtera Indoprima	Medium
23	PT Sejahtera Sawit Lestari	PT Sejahtera Sawit Lestari	Medium
24	Tudung Agri Group	PT Garuda Bumi Permana	Medium
25	Karya Taktik Group	PT Karya Taktik Plantation	Medium
26	Sahabat Agro Group	PT Lambang Bumi Permana	Medium
27	Mega Hilau Group	PT Megah Hilau Lestari	Medium
28	PT Surya Utama Nabati	PT Surya Utama Nabati	Medium
29	Kencana Agri Limited	PT Agri Inti Kencana	Medium
30	PT Triputra Agro Perdana	PT Bumi Sempoa Lestari	Medium
31	PT Sinar Jaya Agro Investama	PT Kalihjo Lestari	Medium
32	PT Triputra Agro Perdana	PT Muarantayu Subur Lestari	Medium
33	Kuala Lumpur Kepong (KLK) Berhad	PT Satu Sembilan Cempaka	Medium
34	PT Sinar Jaya Agro Investama	PT Sinar Jaya Inti Mulya (Lampung)	Medium
35	PT Aetra Agro Lestari	PT Wira Kalbin Plantation	Medium
36	PT Sampoerna Agro	PT Sungai Ranggi	Medium
37	Kencana Agri Limited	PT Anugerah Bumi Mas	Medium
38	M.F. Evans Group PLC	PT Gunung Pelihara Lestari	Medium
39	PT Aetra Agro Lestari	PT Gunung Sejahtera Dua Indah	Medium
40	PT Aetra Agro Lestari	PT Gunung Sejahtera Ibu Parthol	Medium
41	PT Aetra Agro Lestari	PT Gunung Sejahtera Putri Permana	Medium
42	PT Triputra Agro Perdana	PT Hamparan Permana Mandiri	Medium
43	Kuala Lumpur Kepong (KLK) Berhad	PT Hutau Hilau Mas	Medium
44	Kuala Lumpur Kepong (KLK) Berhad	PT Sempoa Dua Sempoa	Medium
45	PT Aetra Agro Lestari	PT Niranda Agro Lestari	Medium
46	R.E.A. Holdings PLC	PT REA Kalbin Plantations - Serra DE Mill	Medium
47	Kencana Agri Limited	PT Sawit Kalbin Lestari	Medium
48	PT Aetra Agro Lestari	PT Sunyehdah Nusantara Pagi	Medium
49	PT Wanasentani Cuna	PT Wanasentani Cuna	Medium
50	PT Triputra Agro Perdana	PT Trusmi Wahana Abadi	Medium
51	Javan Kales Group	PT Citra Swarna Padi	Low
52	R.E.A. Holdings PLC	PT REA Kalbin Plantations - Caha DE Mill	Low
53	R.E.A. Holdings PLC	PT REA Kalbin Plantations - Permana DE Mill	Low
54	Kencana Agri Limited	PT Sawitindo Kencana	Low
55	PT Sinar Jaya Agro Investama	PT Sempoa Sekeloa Sejahtera	Low
56	PT Sinar Jaya Agro Investama	PT Wikanan Sawitindo Mas	Low
57	PT Sinar Jaya Agro Investama	PT Anugerah Sawit Mandiri	Low
58	PT Sampoerna Agro	PT Gunung Tiga Abadi	Low
59	PT Sinar Jaya Agro Investama	PT Mangrove Sawitindo	Low
60	PT Sampoerna Agro	PT Sampoerna Agro - Selapan Jaya Mill	Low
61	PT Sampoerna Agro	PT Telaga Hilamah	Low
62	PT Sampoerna Agro	PT Aak Tarun	Low
63	PT Sampoerna Agro	PT Mutiara Bunda Jaya	Low
64	M.F. Evans Group PLC	PT Prima Mitrajaya Mandiri	Low

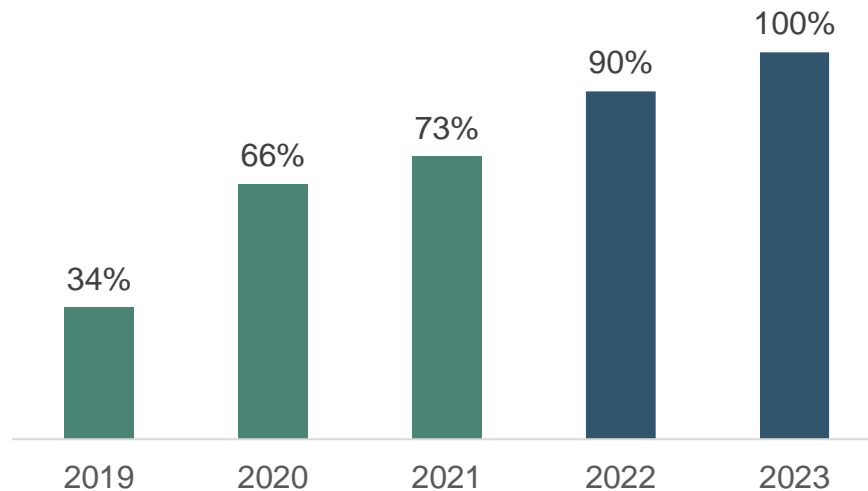


% direct suppliers with high NDPE risks undergone field verification (environmental + social)



Progress update

- LDC conducts supplier training on themes identified with implementation gaps in supplier self-assessment and verification;
- In 2019 and 2020, we conducted 3-day technical training workshops on NDPE compliance, HCV/HCS and peat / fire management;
- In 2022, we conducted online training on satellite monitoring tool GFW Pro



% direct suppliers attending
LDC NDPE training

Indonesian Smallholders First in the World to be Certified Under New RSPO Standard

News • 21 October 2020



Jakarta, 21 October 2020: Today, a group of 30 independent smallholders who manage 130 hectares of oil palm under KUD Mitra Bersama, in South Sumatra, became the first independent smallholder group to be certified under the newly adopted RSPO Independent Smallholder (ISH) Standard.

[Indonesian Smallholders First in the World to be Certified Under New RSPO Standard](#) | [Articles](#) | [RSPO - Roundtable on Sustainable Palm Oil](#)



“ I started to produce palm oil in 1994, and since then the main challenge is fertilization because of high input prices and correct application practices. GAPs training helped me to find a cost-effective solution and define the proper amount in order to achieve better yields sustainably. I believe if more farmers receive training and assistance, the economic conditions in our village will start improving. ”

Komang Sucipta, palm oil farmer in Makarti Jaya village, Indonesia

Progress update:

GAP capacity building: 2030 smallholders have been trained on Good Agricultural Practices;

Infrastructure construction: adding chemical storage and washing facility as per certification requirement;

Deforestation monitoring: using GRAS satellite monitoring;

Ongoing credit risk assessment with Financial Access/Kreditek;

300 farmers passed RSPO milestone A

