

## IFFCO Supplier Issue Register

Update: April 2020

No	Group Company	Issues	Relationship	Action taken by IFFCO and Agreed Action Plan	Reported By	Status
1.	PT. Synergy Oil Nusantara (PT.SON)	Allegation on leakage risks in refinery of PT. SON (a JV between IFFCO, Lembaga Tabung Haji and Felda) that was associated with processing of palm oil from TH Plantations (THP) - subsidiary of Lembaga Tabung Haji, PT. Austindo Nusantara Jaya (ANJ) and PT. Sawit Sumbermas Sarana (SSMS) who were alleged of peat and forest clearing.	Subsidiary of IFFCO Group	Mar-18: IFFCO took over PT. SON from Lembaga Tabung Haji and Felda. IFFCO has since fully managed PT. SON by its own. Since 2016, PT.SON has stopped purchase from THP Jun-18: PT. SON put on hold sourcing from ANJ and SSMS	Chain Reaction Research (CRR), April 2018	Closed
2.	Austindo Nusantara Jaya Agri (ANJ)	Allegation of forest clearing by Austindo Nusantara Jaya Agri (ANJ), in Sorong, West Papua, Indonesia.	Direct supplier to PT. Synergy Oil Nusantara (PT.SON)	Mar-20: ANJ completed its Group HCS Recovery Plan which is available on its website: <a href="https://anj-group.com/en/hcs-area-loss-recovery-plan">https://anj-group.com/en/hcs-area-loss-recovery-plan</a> . ANJ will provide a 6-monthly report detailing the progress of the recovery plan as well as their other sustainability initiatives.  ANJ maintains the moratorium intact since 14 <sup>th</sup> November 2018.  IFFCO applauds the commitment of ANJ to complete its Group HCS Recovery Plan, and has since upgraded the status of the grievance from Monitoring to Closed.  Dec-19: ANJ is formalizing the commitment to work on HCS recovery plan as part of the Sustainable Conservation Landscape Approach. Timeline for completion is Jan-20  Dec-19: ANJ maintains moratorium intact since 14 <sup>th</sup> November 2018  Oct-19: ANJ officially published its strengthened sustainability policy that formally integrates NDPE ( <a href="https://anj-group.com/en/sustainability">https://anj-group.com/en/sustainability</a> )	Greenomics (July 2014), Chain Reaction Research (April 2018), Mighty Earth Report 3, 4,6,8 and 10	Closed

No	Group Company	Issues	Relationship	Action taken by IFFCO and Agreed Action Plan	Reported By	Status
				<p>Jul-19 : Action plan as part of re-entry protocol has been agreed:</p> <ul style="list-style-type: none"> <li>- Ensure moratorium intact and new development to comply with HCV and HCS approach. ANJ has shared its internal memo on the moratorium</li> <li>- Formally integrate NDPE into its sustainability policy</li> <li>- Embrace sustainable landscape approach and commitment to conserve significant area of forest and to share the initial concept within 6 (six) months period</li> <li>- Continue to implement good agricultural practices and its excellence in oil palm development, including but not limited on waste management, biodiversity preservation, traceability, and inclusion of smallholders in all of its concessions</li> <li>- Communicate on the progress of the above action plan on regular basis</li> </ul> <p>IFFCO decided to lift the suspension on ANJ and upgraded the status of the case into monitoring, which accommodates the re-entry of ANJ into IFFCO supply chain.</p> <p>May-19: Discussion with ANJ and we were encouraged by the commitment and measure to embrace forest conservation as part of its oil palm development plan in Papua:</p> <ul style="list-style-type: none"> <li>- Moratorium on new clearing in Papua since Dec-18, despite the area being developed was just 10% of the total HGU</li> <li>- New development to comply with newly adopted RSPO P&amp;C that integrates NDPE</li> <li>- RSPO closed ANJ case on 24 May-19 (<a href="https://rspo.org/files/IMU_Closure_letter_ANJs_Monitoring_20190524.pdf">https://rspo.org/files/IMU_Closure_letter_ANJs_Monitoring_20190524.pdf</a>)</li> <li>- Develop landscape conservation plan of significant forest Ha</li> <li>- Provide economic benefit to community, address stunting and poverty in Papua</li> <li>-</li> </ul> <p>Jun-18: PT. SON put on hold sourcing from ANJ</p>		
3.	PT. Sawit Sumbermas Sarana (SSMS)	Allegation of forest clearing by PT. Sawit Mandiri Lestari and peat clearing by PT. Borneo Sawit Gemilang	Direct supplier to PT. Synergy Oil Nusantara (PT.SON)	<p>Feb-20: Discussion with SSMS and Daemeter and an action plan as part of the re-entry protocol has been agreed:</p> <ul style="list-style-type: none"> <li>- Develop a time-bound sustainability roadmap with detailed action plan, including working on recovery/compensation plan</li> </ul>	Greenpeace, Foresthins News	Suspended

No	Group Company	Issues	Relationship	Action taken by IFFCO and Agreed Action Plan	Reported By	Status
				<ul style="list-style-type: none"> <li>- Together with third party suppliers, working towards a fully traceable palm oil supply chain and achieving full traceability to plantation</li> <li>- Develop and initiate a sustainable landscape program in Kotawaringin Barat and Lamandau districts</li> <li>- Communicate six-monthly on the progress of the roadmap and overall Sustainability Policy implementation using the online sustainability dashboard</li> <li>- Work with the downstream business to ensure alignment in sustainability program and implementation</li> </ul> <p>SSMS and Daemeter will communicate on this action plan to relevant stakeholders</p> <p>Jul-19: Discussion with SSMS and understood that:</p> <ul style="list-style-type: none"> <li>- SSMS has published NDPE policy in Sep-2017</li> <li>- SSMS has done verification on the allegation of the peat clearance and confirmed the area cleared was not peat (<a href="https://ssms.co.id/en/media/detail/update-on-plasma-plantation-development-by-bsg">https://ssms.co.id/en/media/detail/update-on-plasma-plantation-development-by-bsg</a>)</li> <li>- SSMS has sold PT. Sawit Mandiri Lestari and it is not within their control anymore</li> <li>- SSMS appointed CORE-Daemeter to guide the sustainability policy implementation</li> <li>- Further discussion is required on the action plan</li> </ul> <p>Jun-18: PT. SON put on hold sourcing from SSMS</p>		
4.	Felda Global Ventures (FGV) Holdings	Report on human rights and labour violation issues at Serting Mill, Malaysia	Direct supplier to Felda IFFCO Sdn. Bhd (FISB), a joint venture refinery of FGV and IFFCO	<p>Jan-20: We take note of the RSPO Complaint Panel decision on FGV case: <a href="https://www.rspo.org/news-and-events/news/rspo-statement-regarding-complaints-panel-decision-on-felda-global-venture-holdings">https://www.rspo.org/news-and-events/news/rspo-statement-regarding-complaints-panel-decision-on-felda-global-venture-holdings</a> and the re-suspension of the RSPO P&amp;C certificate of Kilang Sawit Serting. The other 34 RSPO-certified management units of FGV remain certified. We also note that FGV has published their response to appeal to the decision: <a href="https://www.fgvholdings.com/press_release/fgv-appeals-against-the-rspo-complaints-panels-decisions/">https://www.fgvholdings.com/press_release/fgv-appeals-against-the-rspo-complaints-panels-decisions/</a></p>	Wall Street Journal, Greenpeace, Mighty Earth, RSPO Grievances	Monitoring

No	Group Company	Issues	Relationship	Action taken by IFFCO and Agreed Action Plan	Reported By	Status
				<p>IFFCO has since suspended Kilang Sawit Serting to enter its supply chain.</p> <p>We are deferring to the RSPO process, and will monitor closely the development of the case.</p> <p>Aug-19: RSPO lifted the suspension on Serting Mill/Plantation</p> <p>Mar-19: Action plan and 1<sup>st</sup> progress report submitted and approved by the RSPO</p>		
5.	Felda Global Ventures (FGV) Holdings	HCV clearance in PT. Temila Agro Abadi (TAA) in West Kalimantan. TAA is subsidiary of FGV Holdings	FGV is JV partner with IFFCO	<p>Jan-20: FGV has ceased all land development in PT. Temila Agro Abadi/PT. TAA since 25<sup>th</sup> April 2017. With the enhancement of the Group Sustainability Policy, FGV has communicated that the development in PT. TAA is permanently discontinued.</p> <p>FGV has also clarified that the clearance location given in Mighty Earth report belongs to the local community. The clearing of the land was carried out by the land owner for paddy planting.</p> <p>IFFCO has since closed the grievance case.</p> <p>Dec-19: Request for explanation from FGV on the status of the case, and if there is compensation/remediation plan in place</p>	Mighty Earth Report 9	Closed
6.	TH Plantation Bhd	PT. Persada Kencana Prima (PKP) in North Kalimantan is alleged of deep peat (> 3m) clearance to make for oil palm development and it still continues. PKP is owned by TH Plantations Bhd. Recently forest clearing was also detected by Aidenvironment in TH Plantations concession in Pahang, Malaysia	Direct supplier to FGV IFFCO Oil Products (FIOP), a joint venture refinery of FGV and IFFCO	Oct-19: IFFCO was alerted about this case by customer and has since put on hold sourcing from TH Plantation Bhd	Mighty Earth Report 15	Suspended

No	Group Company	Issues	Relationship	Action taken by IFFCO and Agreed Action Plan	Reported By	Status
7.	BEST Group	Allegation on deforestation in PT. Wanasawit Subur Lestari and peat clearance in PT. Karya Luhur Sejati, both in Central Kalimantan	Direct supplier to FGV IFFCO Trading France, a joint venture of FGV and IFFCO	<p>Apr-20: Since 6<sup>th</sup> April 2020, BEST Industry Group has put moratorium on new clearance for the whole group plantations. We have since amended its grievance status to Monitoring.</p> <p>IFFCO will continue the engagement with the company.</p> <p>Dec-19: Request for explanation and clarification from BEST Group on the allegation and to hold sourcing from the company if the deforestation and peat clearance confirms. To engage BEST group on agreed action plan as part of the re-entry protocol</p>	Mighty Earth Report 19	Monitoring
8.	Sungai Budi/Tunas Baru Lampung	Allegation on deforestation in PT. Samora Usaha Jaya, Lampung	Direct supplier to FGV IFFCO Trading France, a joint venture of FGV and IFFCO	<p>Apr-20: Tunas Baru Lampung explained that they have engaged Global Environment Center to conduct 3<sup>rd</sup> party verification audit, of which it confirmed that the cleared areas were not peat. The report and findings from the verification audit is published on its website: <a href="https://www.tunasbarulampung.com/summary-of-third-party-verification-of-pt-samora-usaha-jaya-sui-case/">https://www.tunasbarulampung.com/summary-of-third-party-verification-of-pt-samora-usaha-jaya-sui-case/</a></p> <p>Dec-19: Request for explanation and clarification from Tunas Baru Lampung on the allegation and to hold sourcing from the company if the deforestation and peat clearance confirms. To engage Tunas Baru Lampung on agreed action plan as part of the re-entry protocol</p>	Mighty Earth Report 19	Investigation
9.	Sime Darby	Allegation on deforestation	Direct supplier to FISB, a joint venture of FGV and IFFCO	Sep-19: Sime Darby has provided clarification that the forest clearance happened <b>outside</b> of their boundaries. The clarification is made available on their website: <a href="http://www.simedarbyplantation.com/media/press-releases/statement-response-rapid-response-palm-oil-report-19-mighty-earth">http://www.simedarbyplantation.com/media/press-releases/statement-response-rapid-response-palm-oil-report-19-mighty-earth</a> .	Mighty Earth Report 19	Closed
10.	Mulia Sawit Agro Lestari	Allegation on peat clearing in the concession in Central Kalimantan	Direct supplier to PT. Synergy Oil Nusantara (PT. SON)	Nov-18: PT.SON recorded a one-time purchase from PT. Mulia Sawit Agro Lestari but it recorded no more purchase since then	Chain Reaction Research (2018), Mighty Earth report 9,10,11,12	No purchase
11.	Indonusa	Allegation on deforestation in PT. Internusa Jaya Sejahtera in Merauke, Papua.	PT. Hamita Utama Karsa is direct supplier to PT.	Oct-19: Following information on the link of ownership between Indonusa and PT. Hamita Utama Karsa (PT. HUK), IFFCO/PT. SON had a discussion with PT. HUK, however an agreed action plan has not yet reached over oil palm development in Papua. PT. SON decided to put on	Greenpeace (2018), Mighty Earth report 7,10,11,12	Suspended

No	Group Company	Issues	Relationship	Action taken by IFFCO and Agreed Action Plan	Reported By	Status
			Synergy Oil Nusantara (PT. SON)	hold sourcing from PT. HUK while continue the engagement with the company on the case		

Notes: Grievances with the status of Monitoring and Investigation are allowed to enter into IFFCO Supply Chain. Suppliers have to show progress against the agreed action plan during the Monitoring status. Please refer to the IFFCO Issues Handling Procedure

