

15 August 2022

Dear Valued Unilever Supplier,

Unilever announced new goals and measures in 2020 to fight climate change and protect and regenerate nature. In our procurement of key commodities, Unilever is committed to achieving a deforestation-free supply chain of deforestation-risk-related commodities by 2023. To guide this journey, we strengthened our commitment to 'No Deforestation, No Peat and No-exploitation' (NDPE) in the [Unilever People and Nature Policy \(2020\)](#) ("Policy"). We recognize this commitment is shared within the industry and is only possible through close collaboration with our suppliers, stakeholders, and partners.

We have previously reached out to our direct palm oil suppliers with the expectation that suppliers would verify and address non-compliance allegations of our Policy in a timely manner. We also requested for our suppliers not to supply Unilever's supply chain from palm oil mills and group companies that contributed to deforestation, with an emphasis on palm oil producer groups showing the highest amounts of deforestation and conversion in 2019, unless proof could be provided that the group companies were not responsible for the clearing. We would like to continue our discussion with you on deforestation risks that are still present in our palm oil supply chain and what we can do to address them.

In "Annex 1-3" and "Annex 5" of this letter, please find an assessment of 20 palm oil producer groups with the highest estimated alleged contributions to deforestation and peatland development within the palm oil supply chain in Southeast Asia since the cut-off date of our commitment on December 31, 2015. These figures are sectoral level liability and concern actors that may not necessarily be associated with Unilever's supply chain in the past or present, but could pose significant noncompliance to Unilever's Policy, should they be part of our supply chain. This information on deforestation and peat conversion is based on publicly available data and data obtained from our sustainability partners with their consent for Unilever to share and republish. We have shared this data in good faith having exercised reasonable efforts to use credible sources or, in places, use our own resources for some points of verification. We are by this letter not making any accusation of legal wrongdoing but are sharing that we have sight of data that indicates that certain supply sources are not in accordance with our Policy and therefore need to be removed from our supply chain. We intend to share accurate and credible data. Therefore, if you have any reliable data that is in conflict with the present document, we ask you to share it with us so that we can make appropriate corrections.

**If any of these producer groups stated remain in your direct or indirect supply chain, we request that you suspend supply from these companies from your palm oil material supply to Unilever, until measures are taken either to prove compliance with Unilever's Policy, or to commit to our minimum re-entry criteria of for deforestation and conversion liability. To our best knowledge, this should therefore apply to all but one producer group (i.e. KPN) presented in the annex below.**

We also kindly request that you communicate to us the steps you have taken to engage your suppliers to address the issue in line with your grievance procedure, and in compliance with Unilever's Policy and grievance policy, either to us directly, or through your grievance tracker publications.

In "Annex 4", we have outlined what we think are the minimum criteria for re-entry into the Unilever supply chain, for producer groups that have been suspended due to non-compliance.

Unilever is partnering with Earthqualizer Foundation to assist willing oil palm grower companies and their buyers to verify and confirm documented deforestation and peat conversion liability, and subsequently compliance with the re-entry criteria, against the deforestation and peat conversion monitoring data available to us. The partnership will furthermore monitor producer groups' progress with compliance and the re-entry requirements, including deforestation and peat conversion recovery plans, and offer guidance where needed.

Please do not hesitate to contact us to clarify any questions or concerns you may have regarding the issue.

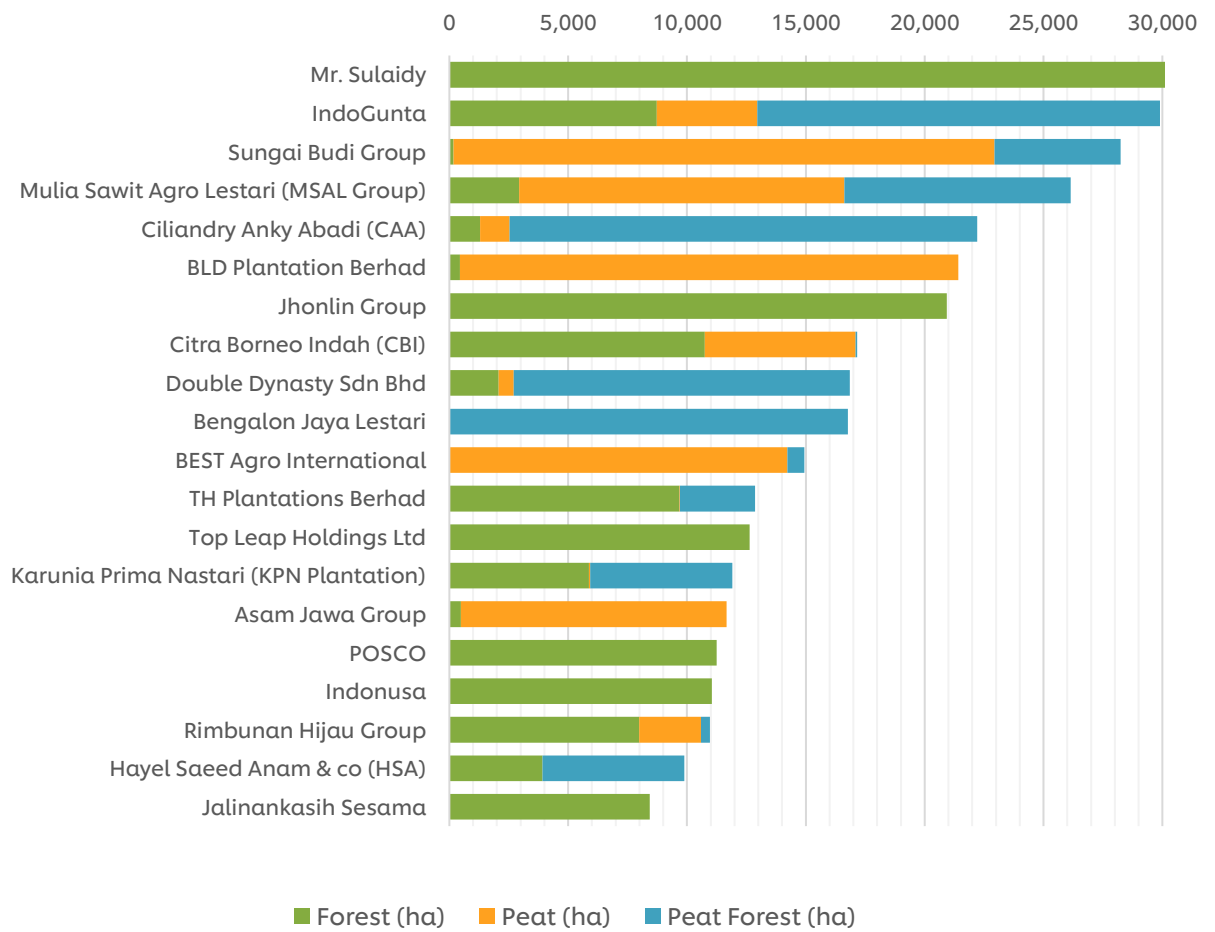
Best regards,

Martin Huxtable  
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Unilever

Georg Klein  
Global Procurement Director  
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**Annex 1. Top 20 producer groups with alleged highest contributions to deforestation based on total hectares cleared (based on the cut-off date of 31 December 2015)**



**Note:** This top 20 is based on available data. Companies are not necessarily associated with UL supply chain.

**Annex 2. Top 20 producer groups with alleged highest contributions to deforestation by types of surface deforested (based on the cut-off date of 31 December 2015)**

No	Producer Groups	Forest (ha)	Peatland (ha)*	Peat forest (ha)*	Total liability 2016-2021 (ha)	Confirmation status**	Recovery plan	Total GHG Emission (tCO <sub>2</sub> e/ha) ***
1	Mr. Sulaidy	34,087	12	258	34,357	None	No	33,888,148
2	IndoGunta	8,728	4,226	16,941	29,895	None	No	20,023,569
3	Sungai Budi Group	169	22,764	5,316	28,249	None	No	6,789,077
4	Mulia Sawit Agro Lestari (MSAL Group)	2,933	13,691	9,521	26,145	None	No	10,902,257
5	Ciliandry Anky Abadi (CAA)	1,290	1,237	19,677	22,204	None	No	13,967,853
6	BLD Plantation Berhad	450	20,963	-	21,413	None	No	3,428,611
7	Jhonlin Group	20,937	-	-	20,937	None	No	20,677,088
8	Citra Borneo Indah (CBI)	10,751	6,338	72	17,161	Pending	No	11,734,966
9	Double Dynasty Sdn Bhd	2,077	636	14,131	16,844	None	No	11,175,223
10	Bengalon Jaya Lestari	-	27	16,743	16,770	None	No	10,833,467
11	BEST Agro International	10	14,207	725	14,941	None	No	2,492,837
12	TH Plantations Berhad	9,673	21	3,167	12,861	Pending	No	13,677,774
13	Top Leap Holdings Ltd	12,634	-	-	12,634	Confirmed	No	12,478,713
14	Karunia Prima Nastari (KPN Plantation)	5,866	64	5,971	11,900	Confirmed	Yes	11,872,655
15	Asam Jawa Group	483	11,178	-	11,661	None	No	2,067,929
16	POSCO	11,249	-	-	11,249	None	No	11,110,527
17	Indonusa	11,050	-	-	11,050	None	No	10,914,093
18	Rimbunan Hijau Group	7,981	2,603	383	10,967	None	No	8,578,945
19	Hayel Saeed Anam & co (HSA)	3,920	-	5,962	9,882	None	No	7,664,239
20	Jalinankasih Sesama	8,429	-	-	8,429	None	No	8,325,257

\*) The IPCC estimates that draining peat emits 95 T of CO<sub>2</sub> per hectare per year. Because of the severity of these emissions, liabilities for clearance and planting on peat are double counted (weighted) (Source: Recovery Plan Decision Tree for Non-Compliance on Peat Soils, 2019)

\*\*) Confirmation represents the final phase of a Recovery Liability Assessment where companies are given the opportunity to review and respond to the liability assessment by an independent assessor. "None" suggests that to the best of our knowledge such Confirmation Procedure has not been initiated, "Confirmed" suggests that the company and the assessor have worked together and agreed over the result of the liability assessment.

\*\*\*) GHG emission calculations are based on: RSPO undisturbed forest (F): 987.67 tCO<sub>2</sub>/ha for forest; Hergoullc'h & Verchot (2011) undisturbed forest (F): 1272.34 tCO<sub>2</sub>/ha for peat forest; Hergoullc'h & Verchot (2011) grassland (F): 284.67 tCO<sub>2</sub>/ha for peatland.

**Annex 3. List of mills of top 20 producer groups with alleged highest contributions to deforestation (cut-off date of 31 December 2015) without known recovery plan**

No	UML ID	Group	Company Name	Mill Name	Country	Province	District	Lat	Long
1	No UML ID	Mr. Sulaidy	PT Borneo Citra Persada Jaya	Borneo Citra Persada Jaya	Indonesia	East Kalimantan	Kutai Barat	-0.891	115.797
2	No UML ID	Indogunta	PT Berau Sawit Sejahtera	Berau Sawit Sejahtera	Indonesia	East Kalimantan	Berau	1.361	117.077
3	PO1000006346	Indogunta	PT Gunta Samba Jaya	Merapun	Indonesia	East Kalimantan	Berau	1.375	117.145
4	PO1000008666	Indogunta	PT Long Bagun Prima Sawit	Batu Lepoq	Indonesia	East Kalimantan	Kutai Timur	1.421	117.856
5	PO1000010024	Indogunta	PT Perdana Sawit Plantation	Pabrik Argo Mulyo	Indonesia	West Kalimantan	Sintang	0.503	111.489
6	PO1000008270	Indogunta	PT Wira Inova Nusantara	WIN	Indonesia	East Kalimantan	Kutai Timur	0.966	118.195
7	PO1000007486	Sungai Budi Group	PT Budi Nabati Perkasa	Budi Nabati Perkasa	Indonesia	Jambi	Bungo	-1.692	102.161
8	PO1000004137	Sungai Budi Group	PT Serbahuta Jaya	Serbahuta Jaya	Indonesia	North Sumatra	Labuhanbatu Utara	2.224	99.935
9	PO1000007651	Sungai Budi Group	PT Agro Bumi Mas	Agro Bumi Mas (3)	Indonesia	Lampung	Lampung Utara	-4.573	104.758
10	PO1000011318	Sungai Budi Group	PT Bumi Perkasa Gemilang	PKS 10	Indonesia	West Kalimantan	Kubu Raya	-0.345	109.693
11	PO1000008168	Sungai Budi Group	PT Surya Andalan Primatama	Surya Andalan Primatama (9)	Indonesia	Bengkulu	Mukomuko	-2.582	101.311
12	PO1000006252	Sungai Budi Group	PT Tunas Baru Lampung Tbk	Terbanggi (1)	Indonesia	Lampung	Lampung Tengah	-4.865	105.184
13	No UML ID	Sungai Budi Group	PT Tunas Baru Lampung Tbk	Sukadana (6)	Indonesia	Lampung	Lampung Tengah	-5.104	105.558
14	PO1000008391	Sungai Budi Group	PT Tunas Baru Lampung Tbk	Mesuji (2)	Indonesia	Lampung	Mesuji	-4.014	105.275
15	PO1000000553	Sungai Budi Group	PT Tunas Baru Lampung Tbk	Banyuasin (4)	Indonesia	South Sumatra	Banyu Asin	-2.906	104.914
16	PO1000004861	Mulia Sawit Agro Lestari	PT Mulia Sawit Agro Lestari	Mulia Sawit Agro Lestari	Indonesia	Central Kalimantan	Gunung Mas	-1.513	113.465
17	PO1000007485	Ciliandry Anky Abadi (CAA)	PT Borneo Ketapang Indah	Borneo Ketapang Indah	Indonesia	Central Kalimantan	Barito Timur	-1.752	115.044
18	PO1000008633	Ciliandry Anky Abadi (CAA)	PT Inti Kebun Sejahtera	Klasof	Indonesia	West Papua	Sorong	-1.289	131.249
19	PO1000005218	Ciliandry Anky Abadi (CAA)	PT Tirta Madu	Tirta Madu	Indonesia	Riau Islands	Bintan	1.036	104.597
20	No UML ID	Ciliandry Anky Abadi (CAA)	PT Anugrah Abadi Multi Usaha	Anugrah Abadi Multi Usaha	Indonesia	East Kalimantan	Paser	-1.979	115.979
21	PO1000008189	BLD Plantation Berhad	Bintulu Lumber Development Sdn. Bhd.	BLD Igan Estate	Malaysia	Sarawak	Sibu	2.405	111.790
22	PO1000008243	BLD Plantation Berhad	Bintulu Lumber Development Sdn. Bhd.	Sawai	Malaysia	Sarawak	Miri	3.576	113.839
23	PO1000007436	Jhonlin Group	PT Adisurya Cipta Lestari	Adisurya Cipta Lestari	Indonesia	South Kalimantan	Tanah Bumbu	-3.452	115.643
24	PO1000008133	Jhonlin Group	PT Batulicin Agro Sentosa	Karang Bintang	Indonesia	South Kalimantan	Tanah Bumbu	-3.373	115.906
25	PO1000008620	Jhonlin Group	PT Pradiksi Gunatama	Pradiksi Gunatama	Indonesia	East Kalimantan	Paser	-2.181	116.209
26	PO1000003258	Citra Borneo Indah	PT Kalimantan Sawit Abadi	Natai Baru	Indonesia	Central Kalimantan	Kotawaringin Barat	-2.606	111.667
27	No UML ID	Citra Borneo Indah	PT Menteng Kencana Mas	Menteng Kencana Mas	Indonesia	Central Kalimantan	Pulang Pisau	-2.948	114.182

28	No UML ID	Citra Borneo Indah	PT Mirza Pratama Putra	Mirza Pratama Putra	Indonesia	Central Kalimantan	Lamandau	-1.958	111.498
29	PO1000003257	Citra Borneo Indah	PT Mitra Mendawai Sejati	Suayap	Indonesia	Central Kalimantan	Kotawaringin Barat	-2.266	111.722
30	PO1000009584	Citra Borneo Indah	PT Sawit Multi Utama	Natai Kiu	Indonesia	Central Kalimantan	Lamandau	-1.838	111.533
31	PO1000003120	Citra Borneo Indah	PT Sawit Sumbermas Sarana Tbk	Selangkun	Indonesia	Central Kalimantan	Kotawaringin Barat	-2.417	111.555
32	PO1000002304	Citra Borneo Indah	PT Sawit Sumbermas Sarana Tbk	Sulung	Indonesia	Central Kalimantan	Kotawaringin Barat	-2.304	111.614
33	PO1000004098	Citra Borneo Indah	PT Tanjung Sawit Abadi	Melata Mill	Indonesia	Central Kalimantan	Lamandau	-1.913	111.599
34	No UML ID	Citra Borneo Indah-related (PT Metro Jaya Lestari)	PT Sawit Mandiri Lestari	Sulung	Indonesia	Central Kalimantan	Lamandau	-1.914	111.214
35	PO1000007497	Double Dynasty (DD)	DD Palm Oil Mill Sdn Bhd	DD	Malaysia	Sarawak	Bintulu	3.145	113.307
36	No UML ID	BEST Agro International	PT Bakti Emas Surya Terang	Bakti Emas Surya Terang	Indonesia	Central Kalimantan	Kotawaringin Timur	-1.829	112.913
37	PO1000006227	BEST Agro International	PT Bangunjaya Alam Permai	Bangunjaya Alam Permai	Indonesia	Central Kalimantan	Kotawaringin Barat	-2.299	111.973
38	PO1000010043	BEST Agro International	PT Bangunjaya Alam Permai	Bangunjaya Alam Permai 2	Indonesia	Central Kalimantan	Seruyan	-2.092	112.041
39	No UML ID	BEST Agro International	PT Berkah Alam Fajar Mas	Berkah Alam Fajar Mas	Indonesia	Central Kalimantan	Pulang Pisau	-3.151	113.645
40	PO1000008640	BEST Agro International	PT Hamparan Masawit Bangun Persada	Hamparan Masawit Bangun Persada	Indonesia	Central Kalimantan	Seruyan	-2.559	112.456
41	PO1000008643	BEST Agro International	PT Surya Mas Cipta Perkasa	Surya Mas Cipta Perkasa	Indonesia	Central Kalimantan	Pulang Pisau	-3.033	113.859
42	PO1000008431	BEST Agro International	PT Tunas Agro Subur Kencana	Tunas Agro Subur Kencana	Indonesia	Central Kalimantan	Kotawaringin Timur	-2.252	112.826
43	PO1000010029	BEST Agro International	PT Wanasawit Subur Lestari	Wanasawit Subur Lestari 2	Indonesia	Central Kalimantan	Seruyan	-2.621	112.096
44	PO1000008626	BEST Agro International	PT Wanasawit Subur Lestari	Aminjaya	Indonesia	Central Kalimantan	Kotawaringin Barat	-2.506	112.013
45	No UML ID	TH Plantations Berhad	TH Estates (Holdings) Sdn Bhd (related company)	Kilang Sawit Bijat	Malaysia	Sarawak	Sri Aman	1.334	111.453
46	PO1000003923	TH Plantations Berhad	TH PELITA Gedong Sdn Bhd	Gedong	Malaysia	Sarawak	Serian	1.155	110.677
47	PO1000003924	TH Plantations Berhad	TH Plantations Berhad	Bukit Lawiang	Malaysia	Johor	Keluang	1.966	103.434
48	PO1000003926	TH Plantations Berhad	THP Kota Bahagia Sdn Bhd	Kota Bahagia	Malaysia	Pahang	Rompin	2.987	102.927
49	PO1000003929	TH Plantations Berhad	THP Sabaco Sdn Bhd	Sungai Tenegang	Malaysia	Sabah	Kinabatangan	5.218	118.031
50	PO1000003928	TH Plantations Berhad	THP Sabaco Sdn Bhd	Ladang Mamahat	Malaysia	Sabah	Beluran	6.466	117.569
51	PO1000004836	TH Plantations Berhad	THP Saribas Sdn Bhd	Ladang Raja Udang/ Saribas	Malaysia	Sarawak	Betong	1.666	111.202
52	No UML ID	Top Leap Holdings Limited	Bewani Oil Palm Plantations Ltd	Bewani Oil Palm Plantation	Papua New Guinea	Sandaun	Vanimo-Green River	-2.921	141.434
53	PO1000008170	Asam Jawa Group/Musi Rawas	PT Musirawas Citraharpindo	PKS 2	Indonesia	Central Kalimantan	Seruyan	-2.451	112.214
54	PO1000004192	Asam Jawa Group/Musi Rawas	PT Musirawas Citraharpindo	PKS 1	Indonesia	Central Kalimantan	Seruyan	-2.397	112.224
55	PO1000008591	Asam Jawa Group/Musi Rawas	PT Uni Primacom	PKS 1	Indonesia	Central Kalimantan	Kotawaringin Timur	-1.944	112.729
56	PO1000009022	Asam Jawa Group/Musi Rawas	PT Uni Primacom	PKS 2	Indonesia	Central Kalimantan	Kotawaringin Timur	-1.860	112.721
57	PO1000004500	Asam Jawa Group/Musi Rawas	PT Asam Jawa	Asam Jawa	Indonesia	North Sumatera	Labuhanbatu Selatan	1.900	100.187

58	PO100004214	Asam Jawa Group/Musi Rawas	PT Sapta Karya Damai	Sapta Karya Damai	Indonesia	Central Kalimantan	Kotawaringin Timur	-2.584	112.628
59	PO100006370	Asam Jawa Group/Musi Rawas	PT Sawitmas Nugraha Perdana	Sawitmas Nugraha Perdana	Indonesia	Central Kalimantan	Seruyan	-2.657	112.247
60	PO1000010735	POSCO International	PT Bio Inti Agrindo	Bio Inti Agrindo PKS 1	Indonesia	Papua	Merauke	-6.962	140.515
61	PO1000010731	POSCO International	PT Bio Inti Agrindo	Bio Inti Agrindo PKS 2	Indonesia	Papua	Merauke	-7.097	140.808
62	PO1000008166	Indonusa Group	PT Hamita Utama Karsa	Hamita Utama Karsa	Indonesia	South Sumatra	Musi Banyuasin	-2.672	104.204
63	No UML ID	Indonusa Group	PT Internusa Jaya Sejahtera	PT Internusa Jaya Sejahtera	Indonesia	Papua	Merauke	-7.282	140.775
64	No UML ID	Rimbunan Hijau Group	Gilford Limited	Mamusi Palm Oil Mill	Papua New Guinea	East New Britain	Pomio	-5.730	151.380
65	PO1000003881	Rimbunan Hijau Group	Golden Star Ace Sdn Bhd	RH Balingian	Malaysia	Sarawak	Mukah	2.872	112.452
66	PO1000010027	Rimbunan Hijau Group	Jaya Tiasa Holdings Berhad/Hariyama Sdn Bhd	Hariyama CPO	Malaysia	Sarawak	Matu	2.657	111.859
67	PO1000003798	Rimbunan Hijau Group	Jaya Tiasa Holdings Berhad/JT Oil Development	Wealth House CPO	Malaysia	Sarawak	Daro	2.389	111.351
68	PO1000003799	Rimbunan Hijau Group	Jaya Tiasa Holdings Berhad/Maujaya Sdn Bhd	Daro Jaya CPO	Malaysia	Sarawak	Daro	2.440	111.525
69	PO1000003800	Rimbunan Hijau Group	Jaya Tiasa Holdings Berhad/Maxiwealth Holdings Sdn Bhd	Lassa CPO	Malaysia	Sarawak	Matu	2.520	111.641
70	PO1000003801	Rimbunan Hijau Group	Palmgroup Holdings Sdn Bhd - Palmgroup Palm Oil Mill Sdn Bhd	Palmgroup	Malaysia	Sarawak	Selangau	2.823	112.635
71	PO1000003882	Rimbunan Hijau Group	R H Balingian Palm Oil Mill Sdn Bhd	R H Balingian	Malaysia	Sarawak	Marudi	3.775	114.104
72	PO1000004798	Rimbunan Hijau Group	R H Lundu Palm Oil Mill Sdn Bhd	R H Lundu	Malaysia	Sarawak	Lundu	1.511	109.906
73	PO1000003883	Rimbunan Hijau Group	R H Selangau Palm Oil Mill Sdn Bhd	R H Selangau	Malaysia	Sarawak	Mukah	2.585	112.335
74	PO1000008399	Rimbunan Hijau Group	Rimbunan Sawit Berhad/R. H. Plantation Sdn Bhd	RH Bakong	Malaysia	Sarawak	Marudi	3.664	114.017
75	No UML ID	Rimbunan Hijau Group	Rimbunan Sawit Berhad/RSB Palm Oil Mill Sdn Bhd	RSB	Malaysia	Sarawak	Marudi	3.730	114.054
76	PO1000003948	Rimbunan Hijau Group	Unique Palm Oil Mill Sdn Bhd	Unique	Malaysia	Sarawak	Mukah	2.782	112.291
77	No UML ID	Jalinankasih Sesama	PT Nusaraya Agro Sawit	Nusaraya Agro Sawit	Indonesia	East Kalimantan	Kutai Timur	1.307	116.907
78	PO1000004859	Jalinankasih Sesama	PT Anugerah Energitama	Tepian Langsat	Indonesia	East Kalimantan	Kutai Timur	0.791	117.283

#### **Annex 4. Minimum requirements for re-entry to Unilever supply chain after suspension due to deforestation and peat non-compliance**

1. Implement a group-wide moratorium on land clearing and peatland development<sup>1</sup> including an immediate management directive that operationalizes the group-wide moratorium through a Stop Work Order effective immediately;
2. Acknowledge the total area of non-compliant development<sup>2</sup> from deforestation or peatland conversion post-31 December 2015 within the group's entire concessions and publicly commit to resolve the non-compliant development through the development and implementation of a comprehensive Recovery Plan;
3. Immediately halt all planting activities on non-compliant development areas (pending the development of a Recovery Plan);
4. For any new land development, publicly commit to conduct Integrated High Conservation Value (HCV)-High Carbon Stock (HCS) Assessments<sup>3</sup> and follow the HCV RN's Assessor Licensing Scheme (ALS) quality assurance process;
5. Publish a group-wide NDPE ('no deforestation, no peat, no exploitation') policy aligned with Unilever's People and Nature policy, or sign a group-wide agreement to comply with the Unilever's Policy;
6. Commit to develop and socialize new Standard Operating Procedures (SOPs) in line with the adopted NDPE policy within six months;
7. Agree to independent monitoring through remote sensing and provide maps (in an appropriate format) of the group's entire concessions to either a public monitoring platform or to the Unilever monitoring program (for the purpose of assessing the scale of non-compliant development and ongoing monitoring by traders and third-parties);
8. Commit to publish reports at least every six months in the first year, then annually thereafter, demonstrating compliance against the above requirements.

In the spirit of transparency and accountability, Unilever strongly encourages companies in the process of fulfilling the re-entry criteria to publish documents in the public domain relevant to the points above.

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<sup>1</sup> Where peatland noncompliance is present, all peatland canals developed after policy cutoff date shall be permanently blocked by building compacted peat dams following best practice guidance on building dams and an FPIC process.

<sup>2</sup> Non-compliant development includes forest or peatland areas developed post-31 December 2015 without HCV and HCSA assessments or without Social Impact Assessments (SIAs) and/or following an FPIC process. Non-compliant development also includes areas identified as HCV or HCS through quality-reviewed HCV and peer-reviewed HCSA (or quality-reviewed integrated HCV-HCSA) assessments.

<sup>3</sup> Following all elements of The HCS Approach Toolkit including conducting an FPIC process, adherence to the HCSA Social Requirements, and developing an Integrated Conservation and Land Use Plan (ICLUP).